# A. Statement of Understanding

The Community Builders is pleased to present our qualifications as a potential development partner in response to the Somerville Redevelopment Authority's RFQ for Union Square.

We understand that the SRA is seeking a Master Developer team for the redevelopment of certain Union Square disposition parcels, as outlined in the RFQ. We also understand that the creation of quality, sustainable affordable and mixed-income housing is a goal for the City of Somerville, and is a component of the City's redevelopment plan for Union Square. TCB is submitting its qualifications as an affordable and mixed-income housing developer for SRA's consideration as it selects a Master Developer team and moves forward with the redevelopment project. We would welcome the opportunity to partner with the City and the selected Master Developer to help achieve the City's vision for Union Square, including the creation of new housing opportunities that will serve residents with a range of incomes.

TCB is a 501(c)(3) not-for-profit founded in 1964 as a grass roots community development organization serving Boston's South End neighborhood. Since then, TCB has grown to be a national leader in affordable and mixed-income housing production and community revitalization. In nearly 50 years of operations, TCB has developed more than 26,000 units of housing in over 330 developments in 15 states. We are committed to the long-term success of our developments and our residents: TCB currently operates as the property manager for almost 10,000 units of mixed-income housing, a role that informs and enhances our new developments.

Our approach to development is shaped by our mission 'to build strong communities where people of all incomes can achieve their full potential' and grounded in our neighborhood organizing background. We are committed to a participatory community planning process that responds to input from our local partners, community stakeholders, the neighborhood context; our developments reflect the strongest assets and architectural character of the broader community

TCB has a tremendous track record of accomplishment in Massachusetts, and especially in the Boston area, with mixed-income projects of a scope and scale that is consistent with what is being considered for the Union Square redevelopment. Since its founding in 1964, TCB has participated in the development of over 12,000 housing units in the state, including such signature projects as Tent City and Langham Court in the South End neighborhood of Boston. More recent Boston area projects that demonstrate TCB's ability to plan, permit and construct buildings in the local market include: the 240-unit new Charlesview Residences, located in the Allston-Brighton neighborhood; a 103-unit mixed-income, mixed-use development at 225 Centre Street in Jackson Square; and Cheriton Heights, a 70-unit mixed-income elderly development in West Roxbury. Our success in Massachusetts is the product of positive relationships with local agencies, the ability to secure and leverage available housing funds, and experience navigating the necessary local and state permitting processes. This experience has enabled us to create a successful model for working with neighborhoods and providing Greater Boston communities with the tools and resources necessary to turn visions into reality.

Our qualifications as an affordable and mixed-income housing developer are detailed further in the following sections of this proposal. The *signed addendums* and *Notice to Bidders* are enclosed under the **Signed Certifications Tab** at the end of the proposal.



# **B.** Team Personnel

The Community Builders, Inc ("TCB") is one of the leading nonprofit developers of affordable and mixed-income housing in the United States. Our mission is to build and sustain strong communities where people of all incomes can achieve their full potential. We achieve our mission by developing, financing and operating high-quality housing and implementing neighborhood self-help initiatives to drive economic opportunity for our residents.

Our work is realized by some of the most talented professionals in the industry. From distinguished thought leaders on our board of directors, to experienced innovators on our leadership team to skilled practitioners, TCB personnel have collectively played a major role in the development, design and construction of a wide variety of housing in the Greater Boston region. TCB's team approach to engagements includes representation from each discipline, and across regions, to assure that development project managers have access to highly specialized and trained internal consultants with deep experience within their own discipline.

For this project we propose a full service, multi-disciplinary team consisting of seasoned professionals who are skilled and experienced in development, property management, resident services/community initiatives, asset management, construction management, finance/syndication, and real estate law, as illustrated in the attached corporate resumes located at the end of the proposal under **Background of Personnel Tab**.

The team will be supervised by Eliza Datta, TCB's Director of Development for the New England region and under the strategic direction of our senior leadership:

- <u>Eliza Datta</u> serves as Director of Development, New England for The Community Builders, Inc. She is responsible for directing TCB's real estate development activities and manages the project management staff within the New England region.
- Willie Jones, Senior Vice President, Development is responsible for managing the full range
  of real estate services that TCB offers. His current responsibilities include new project and
  program development across TCB's regions; managing planning and entitlements on all new
  projects; evaluating business opportunities; and assisting in corporate policy development.
- Beverly Bates holds the position of Senior Vice President, Development Operations in which
  she and her staff provide technical support and oversight for TCB's real estate development
  activities in the areas of finance, design and construction, and project management.
- <u>Tom Buonopane</u> holds the position of Director of Finance in which he and his staff provide support to development and finance activities in the organization. He works closely with the development teams to secure financing and to design the capital structure for the various mission-based projects. Mr. Buonopane is experienced in providing strategic assistance to developers on financial structuring for transactions using public and private capital sources
- Homayoun Sarabi, Vice President of Design and Construction, is responsible for managing the design and construction process for all of TCB's develoment projects. This includes providing input during the design phase for efficiencies and new technologies as well as ensuring that construction projects are delivered on time and on budget. He is also responsible for implementing and monitoring TCB's opportunity contracting and hiring plan.



- Maria Correia, in her role as Director of Property Management Operations, designs and implements TCB's Standard Operating Procedures for the Property Management division and oversees compliance with the terms and conditions of funding sources, statutory, federal and local laws/regulations and internal management policies.
- <u>Talmira Hill</u> is vice president of Community Life, oversees the development and expansion of
  programs that assist residents of mixed-income housing in fulfilling their aspirations for financial stability and asset development, youth development and education and workforce development. Ms. Hill works with the development team and external community stakeholders to
  develop the appropriate community success plan and ensure opportunities and neighborhood
  renewal initiatives will be achieved.
- Jonathan Klein is general counsel of The Community Builders, Inc. In this capacity, Klein leads a legal team representing TCB, its affiliates and other nonprofit organizations on all aspects of complex real estate and housing development transactions. His expertise includes Low-Income Housing Tax Credits (LIHTC), New Markets Tax Credits (NMTC) and tax-exempt bonds; all types of local, state and federal subsidy programs for affordable housing; analysis of applicable statutory and regulatory frameworks; zoning, title and real estate conveyancing; condominiums and cooperatives; residential and commercial leasing; limited partnerships and limited liability companies; and closing on multilayered financings with public and private lenders and investors.
- Mick Vergura currently holds the position of Chief Financial Officer. He and his staff provide
  financial support and oversight for TCB's financing, real estate development and property
  management activities. Mr. Vergura oversees TCB's operational accounting, including financial reporting, budgeting, audits, internal audits, taxes, regulatory and housing compliance
  and information technology. He also manages TCB's banking and borrowing relationships and
  directs the treasury management of all working capital reserves

# C. Team Director

The Team Leader for this engagement will be Eliza Datta, Director of Development, New England. Ms. Datta directs TCB's real estate development activities and manages the project management staff within the Northeast, New England region and will be responsible for directing the work to be performed as part of the redevelopment project. Her contact information is:

The Community Builders, Inc., 95 Berkeley Street, Suite 500, Boston MA 02116 Phone: 857-221-8643 / Fax: 617-502-8043 / E-mail: edatta@tcbinc.org

Ms. Datta has 20 years of real estate development experience, with a focus on mixed-income housing and complex urban redevelopment projects. As Director of Development, she oversees TCB's development pipeline in Connecticut and Massachusetts, which currently includes 13 projects totaling approximately 1,200 units of affordable and mixed-income housing, and manages the project management staff within the New England region. Prior to joining TCB in 2013, Ms. Datta was Vice President for Development for New Boston Fund, a private real estate investment firm, where she managed several large-scale mixed-income development projects in the Boston area. She also served as a Vice President for real estate development with Phipps Houses, New York City's largest non-profit owner and developer of affordable housing, and was involved in the development of over 1,000 units of low and moderate-income housing.

A complete resume is enclosed in the **Background of Personnel Tab** at the end of the proposal.



# D. Team Background Information

As noted under Section A, The Community Builders (TCB) is submitting its qualifications for consideration as a potential development partner in the Union Square redevelopment. We propose to play a role, as part of the selected Master Development team, on the development of affordable and mixed-income housing as part of the overall redevelopment project.

TCB is one of the leading nonprofit developers of affordable and mixed-income housing in the United States. Our mission is to build and sustain strong communities where people of all incomes can achieve their full potential. We achieve our mission by developing, financing and operating high-quality housing and implementing neighborhood self-help initiatives to drive economic opportunity for our residents. The company provides a full range of develoment and managment services, as detailed below:

**Development** In nearly 50 years of operations, TCB has developed more than 26,000 units of housing in over 330 developments in 15 states. Our housing developments vary in scale and complexity from small rehabilitation projects to large master-planned communities. We work with a diverse group of customers and partners including public housing authorities, resident groups, faith-based organizations, community development corporations, social service providers and universities. We build or renovate all kinds of housing - family rental housing, senior and special needs housing, single room occupancy apartments, and home ownership opportunities for first-time homebuyers. In addition to our extensive track record in residential housing development, we have also developed projects that include office space, retail space, community centers and service functions such as day care, health clinics, and youth programs. We use a wide variety of public and private financing sources - tax exempt bonds, conventional private debt financing, syndication of Low Income Housing Tax Credits, and a wide array of government grants and loans provided by local, state, and federal sources. Our ownership role enables us to be a long-term participant in the integration of housing and support services with resident participation.

**Property Management** TCB has a proven track record operating successful communities for over four decades. TCB currently operates as the property manager for almost 10,000 units of mixed-income housing, a role that informs and enhances our new developments. We understand the need to create a strong sense of community at the property and also to fully integrate the property into the greater neighborhood and community as a whole. This requires not only sound "bricks and mortar" management to ensure the fiscal viability of the properties but also the delivery and facilitation of social services to our residents that enable them to maximize their potential and succeed both socially and financially. We become a long-term stakeholder in the communities we serve. This sets us aside from other typical property management entities.

**Legal Capacity** TCB's legal department has unparalleled experience in permitting, structuring and negotiating complex real estate transactions involving multiple financing sources. Our in-house attorneys typically provide core services relating to the primary structuring and closing of complex transactions, including structuring and negotiating financing, title and real estate conveyance, zoning analysis and obtaining zoning relief, review of environmental matters, organization of ownership entities including nonprofit corporations and limited partnerships, and organizing closings on complex financings involving multiple private and public funding sources.

**Project Finance** TCB's Finance Department has extensive experience structuring the financing and equity for complex mixed-income housing developments. Our four full-time Finance staff members have expertise in housing finance and financial modeling with all types of community development finance tools - tax exempt bonds, equity syndication, public housing capital and operating subsidies. This expertise allows TCB to use innovative combinations of resources to support our redevelopment efforts.



**Construction Management** TCB has been managing housing development and construction for almost 50 years, and our extensive experience in this area of the industry enables us to provide services during all phases of development, from master planning through post-construction. TCB consistently completes projects on time and within budget. The 2014 construction pipeline includes nine active sites with a value of \$270M.

# E. Requirements

A list of resources, data or other assistance from the SRA/OPCD will be determined in conjunction with the selected Master Developer. TCB does not have any requirements at this time.

# F. Company Background Statement

# 1-5. Entity Information

The Community Builders, Inc. was founded on May 29, 1964 in Boston, Massachusetts as South End Community Development. The organization was reorganized in 1970 as Greater Boston Community Development and again in 1988 as The Community Builders. The company is structured as a nonprofit charitable corporation. The organization received its official 501(c) 3 status on June 4, 1964.

TCB has been in business for 50 years. We currently have an annual operating budget of close to \$50M. Our staff consists of close to 500 talented and experienced professionals located throughout cities across the Mid-Atlantic, Northeast, and Midwest states, including our regional hubs in Boston, Chicago and Washington, DC.

Northeast	Midwest	Mid-Atlantic
95 Berkeley Street	135 South LaSalle Stre	etl602 L Street, NW
Suite 500	Suite 3350	Suite 401
Boston, MA 02116	Chicago, IL 60603	Washington, DC 20036
Phone: 617-695-9595	Phone: 312-577-5555	Phone: 202-552-2500
Fax: 857-221-8618	Fax: 312-263-0337	Fax: 202-552-2525

#### 6. Financial Statement

TCB's 2013 audited financial statements are attached in the **Current Financial Statement Tab** at the end of the proposal.

#### 7. List of Principals

As a nonprofit charitable corporation, The Community Builders does not have equity owners or principals. We have enclosed a list of TCB's Board of Directors under the **Background of Personnel Tab.** 

# 8-9 Team Background

Background information on all key personnel is located under the **Background of Personnel Tab**.

#### 10. Qualifications

As noted under Section A, TCB is submitting its qualifications for consideration as a potential development partner in the Union Square redevelopment. We propose to play a role, as part of the selected Master Development team, on the development of affordable and mixed-income housing as part of the overall redevelopment project.

The Community Builders, Inc. is uniquely qualified to act as development partner in this specific role given our long history in the field, our strong relationships on a state and local level, our full commitment to neighborhood building and resident success, and our successful track record in developing affordable and mixed-income housing. We offer the skills and resources to help the City achieve its vision for Union Square, including:

**Experience as a creative development partner.** TCB has been in the housing development business for 50 years, and our strength is leveraging our experience and expertise to find creative solutions to the many challenges of developing mixed-income housing and promote comprehensive neighborhood revitalization in the communities where we work.

Financial capacity and the proven ability to execute complex financial structures. TCB has extensive experience in creating innovative project financing packages for the development and preservation of mixed-income housing and is experienced in navigating the complex and occasionally conflicting requirements of multiple public agencies.

Development history in Massachusetts with projects of similar scope and scale. TCB has a tremendous track record of accomplishment in Massachusetts, including successful development projects for our own portfolio as well as consulting services to neighborhood and resident organizations. Since its founding in 1964, TCB has participated in the development of over 12,000 housing units in the state Our success here is the product of positive relationships with local housing agencies, the ability to secure and leverage available housing funds; and experience navigating the necessary local and state permitting processes

A proven track record of completing complex, community- driven projects on budget and on-time. We have particular experience working with partners to develop and implement the best plan alternatives to meet the needs of all community stakeholders – including residents, local elected officials, and other local constituents.

#### Experience with mixed-income and mixed-use development



225 Centre - Boston, MA. This is the first phase of an ambitious 14-building, \$250 million redevelopment effort in the Jackson Square community of Boston's Jamaica Plain neighborhood. Developed through a partnership between Mitchell Properties and The Community Builders, Inc, 225 Centre is a transit-oriented development located immediately adjacent to the Jackson Square MBTA station. The site is less than

2.5 miles from downtown Boston, ½ mile from Northeastern University and the Longwood medical area. Roxbury Community College is located just two blocks from the site. This mixed-use/mixed-income property includes 103 units of housing – both affordable and market rate – as well as approximately 17,000 s.f. of commercial/retail space. The property also includes a sub-surface parking structure and at grade parking to accommodate a total of 89 cars. Construction was completed in October 2013 and the building was 70% leased by year-end.

The building's design elements, both inside and outside, will create a high quality living environment for a true mixed-income population. Of the 103 rental units, 68 are market-rate and 35 units are affordable. The Project will provide substantial public benefits to the residents of the adjacent neighborhoods and to the City of Boston. Broadly, the redevelopment effort will transform the Jackson Square area into a vibrant mixed-use neighborhood that will increase the supply of housing, particularly affordable housing; redevelop brownfield sites; provide a sustainable, Transit-Oriented–Development (TOD); and provide residents with increased safety, improved aesthetic appearance, access to jobs and job training opportunities, greater recreational and social activities, and enhanced commercial opportunities. Physical improvements such as new lighting, signage, and plantings, as well as significant open space improvements and construction of much desired space for community facilities will help the neighborhood realize its full potential. The full development program for Jackson Square will create a new neighborhood center, which will be a bridge between Jamaica Plain and Roxbury.

#### Charlesview Residences. - Boston MA.

This past September, the Community Builders, Inc. completed the 240-unit Charlesview Residences. This development effort began in 2003 when Charlesview, Inc - the inter-denominational non-profit owner of the Charlesview Apartmentsissued an RFP for a development partner. The Charlesview Apartments property was a dilapidated 40-year-old 213-unit Section 8 development in Boston's Allston-Brighton neighborhood. After being selected as development partner, TCB worked with Charlesview and its neighbor, Harvard University, to broker a land swap and purchase to enable both the preservation and expansion of the affordable housing asset at a



new site only 1/2 mile away. After a lengthy and complicated Article 80 zoning approval process, the Charlesview redevelopment plan was approved to replace the existing 213 rental units with a 5-block, 22-building redevelopment.

The new Charlesview Residences replaces a former brownfield site with 240 homes for rent, targeted to low- and moderate-income households. Three mid-rises house 170 of these households, and 70 are in 19 townhome style buildings. The development features a large number of family-sized units with 63 three bedroom and 40 four bedroom apartments. Additionally, the development includes 25,000 SF of community and retail space, a new public park, and a 243 spot underground parking garage. A second phase of 20 affordable townhomes for sale will complete the redevelopment site in 2014, which had been a defunct shopping center. An additional 80 market-rate condos are planned for an adjacent parcel to bring additional tenure and income mixing to the effort.

**East Liberty Place North – Pittsburgh, PA** Located on the 5800 block of Penn Avenue in Pittsburgh, ELPN is the redevelopment of the north parcel of the former East Mall Apartments site on Penn Avenue in the East Liberty neighborhood, a neighborhood that is coming back to



life after thirty years of decline and stagnation. This new, 54-unit mixed-income, mixed use building features three floors of environmentally-friendly apartments above an 11,000 s.f. ground floor commercial space, management offices, and community activity areas. The residential and commercial components are structured as separate condominiums.

The community features attractive, spacious, and well-appointed apartments that meet or exceed local market-rate offerings. Building systems integrate green technologies such as ENERGY STAR rated appliances and light-

ing fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials and finishes and ventilating where possible. The building achieved LEED Gold certification and is the region's first LEED for HOMES multifamily certified project and TCB's first LEED certified project.

The Community Builders, Inc. (TCB) is the property's management agent and was the designated developer by the Urban Redevelopment Authority of Pittsburgh (URA). TCB is also developing the site across Penn Avenue to the south. The property is near TCB's other transformative neighborhood properties: New Pennley Place, Pennley Commons, and Penn Manor. East Liberty Place North is the western gateway to East Liberty's downtown district and provides a strong residential anchor and new street level commercial/retail opportunities.

We have enclosed a list of TCB's mixed-income projects completed in the last ten years, including a selection of detailed project profiles, at the end of the proposal under the Qualifications Tab.

## Financial Capacity

TCB has been in the housing development business for nearly 50 years, and one of our strengths is leveraging our experience and expertise to find creative financing solutions to the many challenges of developing mixed-income housing. Since the organization was founded, TCB has arranged for total project financing in excess of \$ 2.5 billion of debt and equity. We have developed capacity and experience in securing and deploying nearly every form of public financing available for mixed-income housing, infrastructure and commercial development.

Along with these public forms of financing, TCB is expert in securing tax credit equity, commercial bank debt and tax-exempt bond financing. Since the Tax Reform Act of 1986, we have been an innovator in structuring deals using the federal Low Income Housing Tax Credit (LIHTC), raising more than \$800 million in total equity. TCB has been successful securing LIHTC allocations in 14 states and the District of Columbia. TCB consistently surpasses industry standards for leveraging resources, typically leveraging \$2-3 in private funding for each \$1 of direct public subsidy. Ultimately, this financing capacity allows TCB to dramatically increase the impact of funding provided by public partners.

TCB's finance department maintains strong relationships with lenders, tax credit syndicators and equity inves- tors around the country, and enjoys long-standing relationships with a number of investors who have remained solid and active in the tax credit market despite recent downturns and consolida- tion. In the current volatile environment, TCB has been able to provide investors

with their higher yield expectations while maintaining viable credit pricing to projects.

#### **Experience with Local Market**

TCB has a tremendous track record of accomplishment in Massachusetts, and especially in the Boston area, with mixed-income projects of a scope and scale that is consistent with what is being considered for the Union Square redevelopment. Since its founding in 1964, TCB has participated in the development of over 12,000 housing units in the state, including such signature projects as Tent City and Langham Court in the South End neighborhood of Boston. More recent Boston area projects that demonstrate TCB's ability to plan, permit and construct buildings in the local market include: the 240-unit new Charlesview Residences, located in the Allston-Brighton neighborhood; a 103-unit mixed-income, mixed-use development at 225 Centre Street in Jackson Square; and Cheriton Heights, a 70-unit mixed-income elderly development in West Roxbury. Our success in Massachusetts is the product of positive relationships with local agencies, the ability to secure and leverage available housing funds, and experience navigating the necessary local and state permitting processes. This experience has enabled us to create a successful model for working with neighborhoods and providing Greater Boston communities with the tools and resources necessary to turn visions into reality.

## **Community Process**

Creating opportunities for local individuals and organizations to contribute to the growth of their community is central to TCB's definition of success. Community involvement in TCB development projects has taken many forms, depending upon the nature of the community, the strength and capacity of civic infrastructure, and the scale and stage of the proposed project. Most of these projects have been undertaken in partnership with neighborhood-based organizations, housing authorities and resident decision-makers with strong ties to their place and the project. Partnerships are critical to the success of any project, and we are experienced in soliciting participation and developing the trust needed for effective cooperation to help steer a successful revitalization program.

The following examples describe TCB's past success with community based processes:

- In 2003, Charlesview, Inc, a non-profit organization consisting of three faith-based institutions, hired TCB to assist them in considering options and opportunities for the deteriorating Charlesview Apartments in the Allston-Brighton neighborhood of Boston. As Charlesview's development partner, TCB led negotiations with Harvard University regarding a proposed land swap. As the project evolved, TCB held status update meetings with local elected officials, other community leaders, and stakeholders to analyze the feasibility of the various redevelopment sites offered to Charlesview, Inc. Concurrent with the process supporting the Charlesview Redevelopment, TCB actively participated in the broader Community Wide Planning (CWP) activities to create a consensus blueprint to guide future planning and development projects in the larger North Allston neighborhood. In 2008, after two years of community process and design revisions, TCB received approval from the BRA and paved the way for the recently constructed Charlesview Residences.
- TCB's ability to work with communities and respond to local concerns has led to TCB's designation as one of the largest and most successful consultants to, and developers of, Comprehensive Permit Projects (ch. 40B) throughout Massachusetts. TCB has assisted in the development of over a twenty Comprehensive Permit projects, resulting in over 950 units of mixed-income and affordable housing in Massachusetts. These projects not only provide



housing in neighborhoods and communities that would not otherwise be accessible to low and moderate income populations, but also offer new opportunities for local residents and town employees who are being priced out of their own communities. Under the State's Chapter 40B zoning laws, TCB workes closely with the members of elected office, local businesses, the regional housing agencies, and many full-time residents to put in place the zoning and permits necessary to support the project. From the regional zoning process through construction administration, TCB encourages members of the community to remain interested and involved in the project.

TCB's Oakwood Shores revitalization effort entailed the demolition and redevelopment of the distressed Madden/Wells public Housing sites, where the concerns and interests of existing residents had to be balanced with those of the surrounding neighborhoods in which the new development was to be integrated. TCB convened discussions around specific development topics such as design standards, admissions criteria, occupancy rules and regulations, and local hiring as well as facilitating advocacy and development of facilities, programs, and services to enhance community life. The planning at Oakwood Shores has been ongoing since 1998, starting with the development of the successful HOPE VI Revitalization Plan. Resident engagement has included training sessions, series of meetings, and focus groups. The Madden/Wells Working Group includes residents, public agencies, private service providers, financing entities, and members of the surrounding community to provide coordination and direction for the redevelopment. TCB is currently engaging residents and stakeholders in a new planning process to guide development and services over the coming years, in coordination with other neighborhood plans.

#### 11. References

The following is a list of references for TCB's work on affordable and mixed-income developments in the metro Boston area:

Eastern Bank
Patrica Capalbo, Sr. V.P-Community Development Lending
265 Franklin Street, BOS212
Boston, MA 02110
Tel: 617-295-0706
p.capalbo@easternbank.com

Daniel Staring, Manager, Multifamily Lending MassHousing One Beacon Street Boston, MA 02108 ph: 617-857-1000

email: dstaring@masshousing.com

Bryan Kilbane, Sr.V.P-Acquisitions RED STONE Equity Partners 200 Public Square, Suite 1550 Cleveland, OH 44114 ph: 216-820-4756

email: bryan.kilbane@redstoneequity.com

Additional references can be provided upon request

## 12. Listing of Actions

It has not been our practice to track claims of default or relief granted by an agency after they have been resolved or to track minor or quickly resolved matters that occur in the normal course of business. Therefore, we are unable to respond definitively regarding all such claims, given the approximately 300 projects and more than 22,000 units in our inventory and approximately 26 projects in our development pipeline. However, to the best of our knowledge, the Applicant has not been a principal in a project in which a regulatory agency took action, or any litigation occurred with respect to the project other than routine matters such as slip-and-fall claims, except for the following

Penn Circle and East Mall Friendly Foreclosures, Pittsburgh, PA: TCB-affiliated entities were involved in friendly default and foreclosure claims in connection with Penn Circle Apartments ("Penn Circle") and East Mall Apartments ("East Mall"), two distressed HUD-insured apartment communities in Pittsburgh, PA. At the request of the City of Pittsburgh, the properties were acquired by an affiliate of TCB in their distressed condition with plans to demolish them and relocate the tenants to newly constructed replacement units. At the request of the City of Pittsburgh, TCB affiliates acquired the properties with the intention that HUD would foreclose and transfer the properties to the City with a HUD Upfront Grant (which is only available for HUD-foreclosed properties) to fund the demolition of the buildings and the subsequent redevelopment of the sites by TCB and other developers. All findings of default, which were necessary for the successful sequence of events described above, have been resolved, and TCB, working with the City of Pittsburgh and HUD, has now completed the significant revitalization of this neighborhood in Pittsburgh by constructing two new mixed-income residential projects that provide replacement housing and retail space.

Heritage Common, Lawrence, MA. Heritage Common is a 140 unit mixed-income family tax credit development located in Lawrence, MA. The general partner of the ownership entity is controlled by The Community Builders. The development was funded in part by MassHousing under the Massachusetts SHARP (State Housing Assistance for Rental Production) loan program, which was based on a presumption that rents for market units in funded projects would rise over the 15-year term of the loan. However, market rents in many parts of Massachusetts declined significantly during the early and mid-1990s. Heritage Common (as well as many other owners and managers of SHARP properties) experienced operating deficits as a result and the SHARP loan from MassHousing went into technical default. In June, 2010, the property was refinanced, with a restructuring of the MassHousing loans and additional low-income housing tax credit equity and other financing, to enable a substantial rehabilitation of the property, which has now been completed.

Aurora Hotel, Worcester, MA. The Aurora Hotel is an 85 unit, single room occupancy tax credit development in Worcester, MA. The general partner of the ownership entity was controlled by The Community Builders. The development experienced significant declines in market rents during the early and mid-1990s and experienced operating deficits. In 1999, the project financing was formally restructured with MHFA, the first mortgage lender, and the project was sold to a separate (but affiliated) nonprofit entity known as Community Renewal, Inc. and CRI and MHFA entered into a forbearance agreement. The project has been current in all obligations since that time. As part of the restructuring, The Community Builders made significant cash payments and ongoing commitments to support the project. The forbearance agreement was renewed in November, 2011 and the forbearance term was extended until January, 2014.

Park DuValle Phase IV, Louisville, Kentucky. On or about July 10, 2009, Park DuValle IV Limited Partnership (the "Partnership"), the owner of Phase IV of the Park DuValle affordable housing project in Louisville, Kentucky, received a notice of default from the Louisville Metro Housing Authority ("LMHA") claiming failure to make a principal payment of \$385,343 under that certain Amended and Restated Promissory Note dated November 28, 2001 from the Partnership to LMHA. By letter dated August 11, 2009, the Partnership denied any default under the Note and



asserted offsetting LMHA defaults in connection with the development and construction of Park DuValle IV. The parties settled their differences in June of 2011, and the Project has been compliant since then.

City West, Cincinnati, OH. The Community Builders ("TCB") was the master developer of two HOPE VI projects located in Cincinnati, OH and formerly owned by the Cincinnati Metropolitan Housing Authority ("CMHA"): "Lincoln Court" and "Laurel Homes", collectively known as "City West." City West consists of 8 mixed-finance phases, is owned by 7 different limited partnerships and has 3 different equity limited partner investors and 3 different lenders. In total, CityWest has 686 total residential units, 366 public housing replacement units and 322 market rate units. The project required significant financial restructuring in response to high crime rates, market challenges and underfunding of public housing units. TCB subsidized the projects by approximately \$3 million while seeking to negotiate a restructuring, but some of the projects ultimately experienced loan defaults and foreclosure actions and two phases filed voluntary petitions for debtor restructuring in bankruptcy court. TCB worked with all parties to reach a negotiated restructuring in October 2012, with additional investments by TCB and other stakeholders, that resolved all outstanding litigation and related matters and financially stabilized the properties.

Northside Terrace (a/k/a Kelly Housing), Torrington, CT. John Kelly Housing Corporation ("JKHC"), the original owner of Northside Terrace apartments in Torrington, CT, sold the property to Kelly Housing Limited Partnership in 1995. At that time, HUD made a Flexible Subsidy Loan in the amount of \$2,225,435 (the "Flex Loan"), to JKHC which in turn loaned (the "Wraparound Loan") the proceeds of the Flex Loan to Kelly Housing Limited Partnership. The note evidencing the Flex Loan was written with a maturity date of March 1, 2009. HUD had also made a FHA Section 221(d) (3) loan to Kelly Housing Limited Partnership (the "FHA Loan") which had the same maturity date of March 1, 2009. JKHC and Kelly Housing Limited Partnership believe that the March 1, 2009 maturity date of the Flex Note was a clerical error and the maturity date should match the maturity date of Wraparound Loan -December, 2014. HUD's position is that the maturity date of the Flex Note should match the maturity date of the FHA Loan. In 2009, HUD issued a notice of default of the Flex Note. HUD, JKHC and Kelly Housing Limited Partnership are working together to defer payment of the Flex Note and extend the maturity date of the Flex Note. TCB does not have an ownership interest in Northside Terrace and only serves as the property manager of the property.

# 13. Fair Housing statement

It is the firm policy of TCB to adhere to the letter and spirit of all Fair Housing and Equal Opportunities laws enacted by Federal, state and municipal jurisdictions.

- We do not practice nor condone discriminatory behavior under any circumstances.
- Employees found willfully engaging in discriminatory practices based on race, religion, color, sex, age, national origin, handicap, sexual preference, familial or veteran status will be immediately terminated.
- Fair housing laws require absolute consistency in our treatment of applicants.
- It is TCB's policy that all site staff be trained in Fair Housing practices.

CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

# CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

# **INDEX**

	<u>PAGE</u>
Independent Auditors' Report	
Consolidated Statement of Financial Position As of September 30, 2013 With Comparative Totals As of September 30, 2012	1
Consolidated Statement of Activities For The Year Ended September 30, 2013 With Comparative Totals For The Year Ended September 30, 2012	2-3
Consolidated Statement of Cash Flows For The Year Ended September 30, 2013 With Comparative Totals For The Year Ended September 30, 2012	4
Consolidated Statement of Functional Expenses For The Year Ended September 30, 2013 With Comparative Totals For The Year Ended September 30, 2012	5
Notes to Consolidated Financial Statements	6-32



# Kevin P. Martin & Associates, P.C.

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## **Independent Auditors' Report**

To the Board of Directors of The Community Builders, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of The Community Builders, Inc. (a nonprofit organization) and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of September 30, 2013, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



# **Basis for Qualified Opinion**

In compliance with regulatory requirements, the consolidated financial statements present the financial position and results of operations, in accordance with accounting principles generally accepted in the United States of America, of the Company only. The consolidated financial statements do not include the affiliated legally-separate for-profit entities which the Company has sponsored in furtherance of its affordable housing charitable mission. Summarized financial information of, and transactions with, those sponsored entities are disclosed in the accompanying notes to these consolidated financial statements (see Note 17).

#### **Qualified Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2013, and the changes in its consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, except that legally-separate for-profit entities sponsored by the Company are not reported within the basic consolidated financial statements.

# **Report on Summarized Comparative Information**

We have previously audited the Company's 2012 consolidated financial statements, and our report dated January 10, 2013, expressed a qualified opinion because of the departure from accounting principles generally accepted in the United States of America described in the Basis for Qualified Opinion paragraph. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Muin P. Martin & Churto P.C.

# Consolidated Statement of Financial Position As of September 30, 2013 With Comparative Totals as of September 30, 2012

		2013		2012
Assets			-	-
Current Assets				
Cash and cash equivalents	\$	3,513,719	\$	5,919,027
NSP2 restricted cash and cash equivalents		10,732,141		11,075,705
Accounts and fees receivable, net		17,800,691		13,456,644
Due from affiliates		808,140		759,347
Notes and interest receivable, current portion		4,682,859		2,369,141
Property held for sale, current portion		10,742,268		15,988,989
Prepaid expenses		826,261	_	596,121
Total Current Assets		49,106,079	_	50,164,974
Rental Property in Service		65,138,479		33,479,854
Less: Accumulated depreciation		(7,668,446)	_	(1,806,229)
Net Rental Property in Service		57,470,033	_	31,673,625
Property, Plant and Equipment		1,738,888		1,685,167
Less: Accumulated depreciation		(1,058,907)		(839,565)
Net Property, Plant and Equipment	_	679,981		845,602
Other Assets				
Restricted cash and cash equivalents		8,561,027		9,170,527
Notes and interest receivable, net of current portion		23,602,139		22,673,536
Investments in limited partnerships		2,273,658		1,866,856
Property held for sale, net of current portion		7,256,681		1,699,960
Financing fees, net of accumulated amortization of \$512,406		863,458		848,555
Total Other Assets		42,556,963		36,259,434
Total Assets	\$	149,813,056	\$	118,943,635
Liabilities and Net Assets				
Current Liabilities				
Loans and accrued interest, current portion - rental property	\$	4,265,182	\$	881,013
Loans and accrued interest, current portion		7,938,181		7,328,338
Accounts payable		6,115,634		5,935,256
Accrued expenses		4,285,797		3,815,951
Deferred revenue, current portion		1,047,266		2,038,573
Due to affiliates		772,582		486,370
NSP2 due to affiliates, current portion		887,687	_	- 20 405 501
Total Current Liabilities	_	25,312,329	_	20,485,501
Long-Term Obligations				
Loans and accrued interest, net of current portion - rental property		37,320,724		29,136,716
Loans and accrued interest, net of current portion		15,613,034		9,779,540
Deferred revenue, net of current portion		2,457,968		1,191,579
Accrued pension cost		11,566,000		11,179,000
NSP2 due to affiliates, net of current portion		6,377,301	_	
Total Long-Term Obligations		73,335,027	_	51,286,835
Total Liabilities		98,647,356	_	71,772,336
Net Assets				
Unrestricted net assets, controlling		50,427,620		45,790,333
Unrestricted net assets, noncontrolling	_	68,606	_	71,508
Total Unrestricted Net Assets		50,496,226		45,861,841
Temporarily restricted net assets		669,474		1,309,458
Total Net Assets		51,165,700	_	47,171,299
Total Liabilities and Net Assets	\$	149,813,056	\$	118,943,635

## Consolidated Statement of Activities For the Year Ended September 30, 2013 With Comparative Totals for the Year Ended September 30, 2012

		2013		2012
Operating Revenue	_		_	
Development	\$	19,189,183	\$	14,593,971
Property management and site fees		35,548,841		28,354,046
Contributions and grants		3,691,264		6,981,735
Interest and other		4,200,678		2,751,486
NSP2 grant		8,516,339		48,963,786
Less: costs directly associated with projects		(6,852,549)		(16,868,313)
Net NSP2 grant	_	1,663,790	_	32,095,473
Proceeds from sale of property		600,446		-
Less: cost of property sold		(600,446)		-
Net (loss) gain from sale of property		-		-
Total Operating Revenue	_	64,293,756		84,776,711
Operating Expenses				
Program services		55,390,463		48,824,787
General and administrative		6,045,110		4,187,452
<b>Total Operating Expenses</b>		61,435,573		53,012,239
Operating Income	_	2,858,183	_	31,764,472
Other Revenue (Expense)				
Gain from investments in limited partnerships		442,278		1,262,758
Pension related changes other than net periodic pension cost		952,000		(2,428,000)
Total Other Revenue (Expense)	_	1,394,278		(1,165,242)
Change in Net Assets Before Equity Contributions and (Loss)				
Gain Attributable to Noncontrolling Interest		4,252,461		30,599,230
Equity contributions		-		13,984
Assignment of limited partnership interest		(255,158)		-
(Loss) gain attributable to noncontrolling interest		(2,902)		34,810
Change in Net Assets		3,994,401		30,648,024
Net Assets, Beginning of Year		47,171,299		16,610,678
Deconsolidation of entities	_			(87,403)
Net Assets, End of Year	\$ <u></u>	51,165,700	\$	47,171,299

#### Consolidated Statement of Activities - continued For the Year Ended September 30, 2013 With Comparative Totals for the Year Ended September 30, 2012

		2013					2012
		Controlling	N	Noncontrolling			 
		Interest		Interest		Total	Total
Changes in Unrestricted Net Assets	-		_		_		 _
Unrestricted Net Assets, Beginning of Year	\$	45,790,333	\$	71,508	\$	45,861,841	\$ 15,737,307
Operating income		2,858,183		-		2,858,183	31,764,472
Equity contributions		-		-		-	13,984
(Loss) gain attributable to noncontrolling interest		-		(2,902)		(2,902)	34,810
Gain from investments in limited partnerships		442,278		-		442,278	1,262,758
Assignment of limited partnership interest		(255,158)		-		(255,158)	-
Deconsolidation of entities		-		-		-	(87,403)
Pension related changes other than net periodic pension cost		952,000		-		952,000	(2,428,000)
Temporarily restricted grants		(30,472)		-		(30,472)	(1,226,001)
Net assets released from restrictions		670,456		-		670,456	789,914
Unrestricted Net Assets, End of Year	\$	50,427,620	\$	68,606	\$	50,496,226	\$ 45,861,841
Changes in Temporarily Restricted Net Assets							
Temporarily Restricted Net Assets, Beginning of Year	\$	1,309,458	\$	-	\$	1,309,458	\$ 873,371
Temporarily restricted grants		30,472		-		30,472	1,226,001
Net assets released from restrictions		(670,456)		-		(670,456)	(789,914)
Temporarily Restricted Net Assets, End of Year	\$	669,474	\$	-	\$	669,474	\$ 1,309,458

#### Consolidated Statement of Cash Flows For the Year Ended September 30, 2013 With Comparative Totals for the Year Ended September 30, 2012

		2013		2012
Operating Activities Cash Flows	_			
Change in net assets	\$	3,994,401	\$	30,648,024
Adjustments to reconcile change in net assets to				
Net cash (used in) provided by operating activities				
Discount on below market rate loan		(80,301)		(172,080)
Depreciation and amortization		1,756,810		1,104,939
Equity contributions		-		(13,984)
Assignment of partnership interest		255,158		-
Release of deferred revenue related to 1602 Tax Credit Exchange Program		(429,087)		(321,811)
Gain from investments in limited partnerships		(442,278)		(1,262,758)
Decrease (increase) in assets				
Accounts and fees receivable, net		(4,242,005)		(883,688)
Prepaid expenses		(231,662)		(120,847)
Property held for sale		609,983		6,566,552
Notes and interest receivable		(4,304,930)		(16,639,456)
Increase (decrease) in liabilities				
Accounts payable		(1,043,207)		(5,008,289)
Accrued expenses		374,831		(90,353)
Deferred revenue		(440,046)		(3,989,270)
Accrued pension cost		387,000		2,286,000
Net cash (used in) provided by operating activities	_	(3,835,333)	_	12,102,979
Investing Activities Cash Flows				
Deposits to restricted cash and cash equivalents		(54,667,019)		(76,081,165)
Withdrawals from restricted cash and cash equivalents		55,620,083		65,480,897
Advances to affiliates, net		(3,457,354)		(7,151,266)
Purchase of long term assets		(11,019,289)		(2,575,290)
Net cash used in investing activities	_	(13,523,579)	_	(20,326,824)
Financing Activities Cash Flows				
Equity contributions		-		13,984
NSP2 due to affiliates		7,264,988		_
Proceeds from loans		17,860,541		12,376,124
Repayments of loans		(10,171,925)		(5,541,415)
Net cash provided by financing activities	_	14,953,604	_	6,848,693
Net Decrease in Cash and Cash Equivalents		(2,405,308)		(1,375,152)
Cash and Cash Equivalents, Beginning of Year		5,919,027		7,381,582
Deconsolidation of entities	_		_	(87,403)
Cash and Cash Equivalents, End of Year	\$	3,513,719	\$	5,919,027

Supplemental Disclosures on Cash Flows and Non-Cash Investing and Financing Transactions - See Note 15.

# Consolidated Statement of Functional Expenses For the Year Ended September 30, 2013 With Comparative Totals for the Year Ended September 30, 2012

		Program Services	General and Administrative		2013 Total		2012 Total
	_	Scrvices	-	Aummstrative	Total	-	Total
Salaries and related costs	\$	34,411,358	\$	3,628,813	\$ 38,040,171	\$	35,388,523
Direct project		14,184,987		-	14,184,987		10,509,425
Other		1,328,427		1,455,211	2,783,638		2,316,612
Professional fees and consultants		2,115,428		842,986	2,958,414		2,240,208
Interest		1,711,553		_	1,711,553		1,452,532
Depreciation and amortization		1,638,710		118,100	1,756,810		1,104,939
<b>Total Functional Expenses</b>	\$	55,390,463	\$	6,045,110	\$ 61,435,573	\$	53,012,239

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of The Community Builders, Inc. ("TCB") and Subsidiaries ("the Company") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). A summary of the significant accounting policies followed by the Company in the preparation of these Consolidated Financial Statements is set forth below.

# **Nature of Activities**

TCB is a charitable corporation that is exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code ("IRC") and is not a private foundation. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2013, there was no liability for tax on unrelated business income. TCB's primary purpose is the creation, preservation and improvement of housing for persons and families of low and moderate income. TCB historically has acted as a consultant in providing technical assistance to community organizations, or as a sponsor for the financing and construction of low and moderate income housing developments, and has provided property management services to such developments. Since 1996, TCB has repositioned itself to collaborate with community stakeholders and to develop its own portfolio of properties. Such properties are located throughout the United States. TCB is focusing on projects of greater scale and impact, embracing comprehensive neighborhood revitalization and a multi-dimensional approach to community development. TCB is also focusing on housing preservation within its own portfolio as well as seeking opportunities to acquire and/or provide consulting services with regard to project preservation.

The Company is organized into the following divisions, which are listed in order of relative importance, based on program expenditures.

<u>Property Management</u> - The Property Management division manages various aspects of the property such as improvements, repairs, maintenance, payroll and accounting. Property Management activity accounted for approximately 56% of program expenditures.

<u>Development</u> - The Development division includes the development of affordable housing in strategic geographic areas. While the Company's primary goal is to provide affordable housing, development also includes the development of market rate housing and commercial rental space in order to revitalize the community in a comprehensive manner. These real estate development projects are either wholly-owned by the Company or are being developed together with various partners. Development activity accounted for approximately 38% of program expenditures.

<u>Community Life</u> - The Community Life division provides supportive services to residents of TCB developments. Community Life activity accounted for approximately 6% of program expenditures.

TCB is funded primarily by development, consulting and property management fees, as well as by grants from national and local foundations and government agencies. Additional working capital is provided by various commercial banks and private foundation debt instruments.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### **Basis of Consolidation**

The Consolidated Financial Statements include the accounts of TCB and its wholly-owned subsidiaries, wholly-owned limited partnerships, sole-member limited liability companies and 7 other not-for-profit organizations with control and economic interest (such as through common board members). All material inter-company transactions and accounts have been eliminated in consolidation.

TCB is the managing member of *The Community Builders CDE*, *LLC* ("TCB CDE"), which was formed as a qualified Community Development Entity ("CDE") to hold New Markets Tax Credit ("NMTC") allocation authority to assist in raising capital for investment in Qualified Active Low Income Community Businesses ("QALICB") pursuant to Section 45D of the IRC. TCB CDE was granted an allocation of \$25,000,000 of ninth round NMTC authority and \$25,000,000 of tenth round NMTC authority from the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund"). In general, under Section 45D of the IRC, a qualified investor in a CDE can receive the NMTC's to be used to reduce Federal taxes otherwise due in each year of a seven-year period.

TCB and its related 7 consolidated not-for-profit organizations are exempt from taxation under Section 501(c)(3) of the IRC and are not private foundations. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2013, there was no liability for tax on unrelated business income. TCB shares a common board of directors. The purpose of these not-for-profit organizations is to foster affordable housing and education.

TCB is the majority owner, either directly or indirectly through a subsidiary, of 65 limited partnerships ("LPs") and limited liability companies ("LLCs"), the purpose of which is to develop, own and operate affordable housing and community initiative projects. TCB has consolidated the financial results of these entities. No provision has been made in the Consolidated Financial Statements for income taxes since all taxable income, losses and credits are allocated to the partners or members.

TCB owns, either directly or indirectly through *GBCD Partnership Services, Inc.* ("GBCD") (a wholly owned subsidiary), approximately 162 corporate subsidiaries, the majority of which are general partners/members in various LPs/LLCs with equity interests ranging from 0.0049% to 1.000% and residual equity interests of up to 90.1%. TCB has consolidated the financial results of these subsidiaries. The LPs/LLCs own properties that provide housing for persons and families of low and moderate income. GBCD is subject to taxation at the federal and state levels. GBCD accounts for income taxes, under the asset and liability method in accordance with GAAP.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### **Basis of Consolidation - continued**

Under the asset and liability method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the year in deferred tax assets and liabilities. Deferred tax assets and/or liabilities were immaterial as of September 30, 2013.

#### **Financial Statement Presentation**

The Company follows the standards of accounting and financial reporting as required by GAAP, whereby an organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The Consolidated Statement of Financial Position presents three classes of net assets (permanently restricted, temporarily restricted and unrestricted) and the Consolidated Statement of Activities displays the change in each class of net assets.

The classes of net assets applicable to the Company are presented as follows:

<u>Unrestricted</u> - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.

<u>Temporarily Restricted</u> - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Company and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restrictions. Contributions, gains and investment income that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the contributions are recognized.

#### **Cash and Cash Equivalents**

For purposes of the accompanying Consolidated Statement of Cash Flows, the Company considers all unrestricted highly liquid investments that are readily convertible to known amounts of cash and with maturities of three months or less to be cash equivalents.

The Company maintains its cash balances at several financial institutions located in New England and the Midwest. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of September 30, 2013.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

# **Revenue Recognition**

TCB recognizes development revenue as earned, as defined by contracts. TCB also recognizes consulting and property management revenue as the services are performed. Substantially all of the revenue was derived from entities which TCB develops throughout the United States in the ordinary course of business. During the year ended September 30, 2013, TCB recognized approximately \$7,613,274 of previously written off notes receivable for development-related activities which is included in "development" on the Consolidated Statement of Activities.

TCB recognizes income from property sales as properties are sold. If a property is sold prior to completion of development, revenue allocable to performance, after the sale, is deferred. Allocation of costs is determined based on the percentage of sales incurred to date and anticipated sales to estimated total sales. Such method is used because management considers total sales to be the best available measure of progress on property held for sale. Property held for sale is carried at the lower of cost or market.

TCB incurs salaries and related benefit costs on behalf of certain unconsolidated entities. As such, these costs are charged to the related entity when incurred and earned and recorded in "property management and site fees" revenue. For the year ended September 30, 2013, fees related to salaries and related benefit costs provided amounted to approximately \$19.1 million.

The Company recognizes rental income, principally from short-term leases on apartment units, as the rents become due. For the year ended September 30, 2013, rental income amounted to approximately \$10.5 million and is recorded in "property management and site fees" revenue.

Grants are recorded as revenue as costs related to the services provided are incurred.

Contributions are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

TCB has been awarded \$78.6 million of Neighborhood Stabilization Program 2 ("NSP2") funding for a multifamily housing stabilization program in neighborhoods where the location and proportion of rental housing relative to the single-family inventory is critical to the viability of the local real estate market. NSP2 revenue is recorded on a cost reimbursement basis. The funding is to be used for loans to approved projects, construction reimbursement costs and administrative costs (up to 10% of the award amount). TCB expended 100% of the grant amount by February 11, 2013, as required by the terms of the award. NSP2 grant revenue has been recorded net of the "costs directly associated with projects" on the Consolidated Statement of Activities.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

# **Accounts and Fees Receivable**

The Company carries its accounts and fees receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts and fees receivable outstanding for thirty days or more are deemed delinquent. Accounts and fees receivable are written off upon notification by the governmental agency or when deemed uncollectible. Accounts and fees receivable are adjusted for estimated realizability if the amounts to be received can be reasonably estimated and collection is reasonably assured.

On a periodic basis, the Company evaluates its accounts and fees receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of September 30, 2013, management has determined any allowance would be immaterial.

The Company does not have a policy to accrue interest on accounts and fees receivable or to require collateral or other security to secure the accounts and fees receivable. As of September 30, 2013, substantially all of the Company's accounts and fees receivable were due from various properties TCB owns through affiliated entities and/or manages.

## **Notes and Interest Receivable**

Notes receivable and accrued interest are recorded at estimated net realizable amounts. Notes receivable outstanding for thirty days or more are deemed delinquent. On a periodic basis, the Company evaluates its notes receivable and estimates collectability, based on a history of past write-offs and collections, cash flow analysis and current credit conditions. Interest accrues in accordance with the agreements. The discounts on those amounts are computed using a risk-adjusted discount rate in the year the note is received. Because of uncertainties associated with regional real estate conditions and collateral values, it is reasonably possible the Company's determination of value could change. However, the amount of change that is reasonably possible cannot be estimated.

During the year ended September 30, 2013, substantially all of the Company's notes receivable were due from various properties TCB owns through affiliated entities and/or manages.

#### **Deferred Revenue**

Deferred revenue includes asset management, development, financing, acquisition fees and prepaid payroll which have been paid or are due to the Company pursuant to certain contracts, but have not yet been earned.

Deferred revenue also includes American Recovery and Reinvestment Act of 2009 Section 1602 Tax Credit Exchange Program (1602 Program) funds that are amortized on a straight-line basis over the life of the related asset (see Note 10).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

# **Property Held for Sale**

Property held for sale is recorded on the cost method. Costs associated with the acquisition, development and construction of property held for sale including property taxes, interest and insurance are capitalized as a cost of the project. Property held for sale consists of costs to develop low-income homeownership units and investigatory costs for 55 low-income housing projects located primarily in Massachusetts, Connecticut, Illinois, North Carolina, Pennsylvania, Ohio, New York, and Maryland. Included in property held for sale are 6 projects whose development is being funded through the NSP2 program.

The Company reviews its property held for sale for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There was no impairment loss recognized in fiscal year 2013.

#### Rental Property in Service and Property, Plant and Equipment

Rental property in service and property, plant and equipment are stated at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their service lives. Improvements, including planned major maintenance activities, are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Consolidated Statement of Activities. Depreciation for rental property is computed under the straight-line method based on an estimated useful life of three to forty years. Depreciation for furniture and equipment is computed under the straight-line method based on an estimated useful life of three years. Depreciation for leasehold improvements is computed under the straight-line method over the life of the lease.

#### **Impairment of Long-lived Assets**

The Company reviews its investment in long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset. There was no impairment loss recognized in fiscal year 2013.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

# **Investments in Limited Partnerships**

Investments in limited partnerships, which own affordable housing projects that the Company does not control due to long-term restrictions on the projects, are accounted for on the equity method. During the year ended September 30, 2013, the Company's share of income or loss classified as other revenue (expense) from its investments in limited partnerships totaled a gain of \$442,278. As a general partner/member in LPs/LLCs, the Company ceases recognition of losses for financial statement purposes once the cost of the investment is reduced to zero, except when the Company is required to fund operating losses per the partnership/operating agreement. Distributions may only be made in accordance with the partnership/operating agreements and approval of the regulatory agency, if any. Declines in value of the investments which are deemed to be other than temporary are recognized as necessary.

## **Noncontrolling Interest in Subsidiaries**

The Company owns an interest in various general partners and managing members ranging from 50% to 99%. The noncontrolling interest is accounted for on the equity method and is reported as a separate component of "unrestricted net assets" on the Consolidated Statement of Financial Position and as a separate component of the "change in net assets" on the Consolidated Statement of Activities.

#### **Use of Estimates**

In preparing the Company's Consolidated Financial Statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **Functional Expenses**

The cost of providing various programs and other activities has been summarized on a functional basis in the Consolidated Statement of Activities and in the Consolidated Statement of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on direct labor. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company. Immaterial amounts of fundraising are included in general and administrative expenses.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### **Advertising**

The Company expenses advertising costs when they are incurred. For the year ended September 30, 2013, advertising expense was immaterial.

#### **Financial Information for 2012**

The Consolidated Financial Statements include prior year comparative information without required disclosures. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Company's Consolidated Financial Statements for the year ended September 30, 2012.

#### **Income Taxes**

GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended September 30, 2013, the Company has determined that it has not taken any tax positions which would result in an uncertainty requiring recognition in the accompanying Consolidated Financial Statements. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

Generally, the Company's information and tax returns remain open for possible federal income tax examination for three years after the filing date. The Company is not currently under examination by any taxing jurisdiction.

#### **Fair Value Measurements**

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

- **Level 1:** Quoted prices for identical instruments traded in active markets.
- **Level 2:** Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- **Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### Fair Value Measurements - continued

#### **Recurring Measurements**

GAAP requires that certain assets and liabilities be recorded at fair value on a recurring basis. The Company had no assets or liabilities that were recognized or disclosed at fair value on a recurring basis under the above fair value hierarchy as of September 30, 2013. The Company's policy is to recognize transfers in and out of levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year ended September 30, 2013.

# **Non-recurring Measurements**

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a non-recurring basis as required by GAAP. The Company had no liabilities measured at fair value on a non-recurring basis as of September 30, 2013.

The following table presents the fair value hierarchy for those financial and non-financial assets measured at fair value on a non-recurring basis as of September 30, 2013.

#### Fair Value Measurements on a Non-recurring Basis

	_	Level 1	Level 2	,	Level 3	-	Total
Development receivables included in "accounts and fees receivable, net"	\$	-	\$ 2,613,979	\$	-	\$	2,613,979
	\$	-	\$ 2,613,979	\$	-	\$	2,613,979

During the year ended September 30, 2013, the Company recorded net present value adjustments of \$262,919 related to its valuation of notes receivable. Notes receivable are discounted to net present value using the risk free rate with similar maturities. These charges represent the Company's best estimate as of September 30, 2013, and were determined using Level 2 inputs.

The fair value hierarchy discussed above is not only applicable to assets and liabilities that are included in the Consolidated Statement of Financial Position, but is also applied to certain other assets that indirectly impact the Consolidated Financial Statements. For example, the Company sponsors and/or contributes to a postretirement benefit plan. Assets contributed by the Company become property of the individual plan. Even though the Company has no control over these assets, it is indirectly impacted by subsequent fair value adjustments to these assets. The actual return on these assets impacts the Company's future net periodic benefit cost, as well as amounts recognized in the Consolidated Statement of Financial Position (Note 13). The Company uses the fair value hierarchy to measure the fair value of assets held by the postretirement plan. Assets held by the plan are comprised mainly of corporate equity and debt securities and are measured using Level 1 inputs.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### **Financing Fees**

Financing fees are recorded at cost and are amortized over the respective lives of the related long-term debt using the effective interest rate. The amortization of loan costs is included in "depreciation and amortization" on the Consolidated Statement of Functional Expenses. Amortization expense amounted to \$192,916 for the year ended September 30, 2013. Estimated future amortization expense for financing fees approximates \$192,000 for each of the next five years.

No impairment losses on financing fees were recognized in fiscal year 2013.

# **Below Market Loans**

Section 42 of the IRC governs the administration of the Low Income Housing Tax Credit program ("LIHTC"), a tax incentive created to foster a legislated public policy directive of the United States to create low income housing.

Other governmental entities, having a similar agenda to foster low income housing, have lent money to the Company at advantageous terms.

The Company has not discounted these below market loans as they were made at arm's length and to preserve the integrity of costs eligible for tax credit under Section 42 of the IRC.

#### NOTE 2 - RENTAL PROPERTY IN SERVICE

"Rental Property in Service" includes 12 projects TCB intends to own and manage located in Illinois, Indiana, Massachusetts, New Jersey, Ohio, Pennsylvania and Rhode Island. Rental property in service amounted to \$65,138,479 as of September 30, 2013 and is generally funded by debt included in "loans and accrued interest rental property" on the Consolidated Statement of Financial Position.

#### NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is summarized as follows as of September 30, 2013:

Furniture and equipment \$ 576,379 Leasehold improvements \$ 1,162,509

Total Property, Plant and Equipment \$ 1,738,888

Depreciation amounted to \$1,563,894 for the year ended September 30, 2013.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

# NOTE 4 - RESTRICTED CASH AND CASH EQUIVALENTS

In connection with the NSP2 program (see Note 5), the Company is required to restrict funds for program income and development costs. As of September 30, 2013, the restricted cash accounts for program income and development had a balance of \$10,732,141. This amount is included in current assets as they are expected to be expended during the year ended September 30, 2014.

In connection with development services rendered to various project entities, TCB received payment of certain development fees. Under the terms of the limited partnership and various other agreements, a portion of these fees have been deposited into restricted cash accounts to fund, on a project-by-project basis as necessary, future capital needs and operating deficits. As of September 30, 2013, the restricted cash accounts had a balance of \$1,088,192.

In connection with the \$5 million Capital Magnet Fund Agreement and other separate agreements, the Company is required to restrict funds to acquire, preserve and revitalize units for affordable housing. Failure to comply with the agreements could result in repayments of any assistance. As of September 30, 2013, the restricted cash account had a balance of \$3,275,621, of which \$3,231,945 has been reserved for guarantees on five projects, and \$43,676 relates to interest earned and program income maintained. As of September 30, 2013, \$1,486,186 has been loaned to the 225 Centre Street project (see Note 14).

In connection with various regulatory agencies and lender's requirements, the Company has segregated funds for replacement reserves, mortgage and insurance escrows, real estate taxes, operating reserves and tenant security deposits. Some withdrawals are required to be approved by the lenders. As of September 30, 2013, the restricted cash accounts had a balance of \$3,111,033.

The Company has entered into various contracts and has received grants from not-for-profit organizations and governmental agencies specifically for community and social services. The funds are held in restricted cash accounts to be used for community and social services as outlined in the agreements. As of September 30, 2013, the restricted cash accounts had a balance of \$815,369.

As of September 30, 2013, other restricted cash consisted of cash held in several accounts for various scholarships and grants which had a balance of \$270,812.

#### **NOTE 5 - GRANTS**

During the year ended September 30, 2010, the Company received a grant award of \$78.6 million in funding from U. S. Housing and Urban Development ("HUD") as part of NSP2. The program was created to redevelop hard-hit communities, create jobs and grow local economies by providing communities with the resources to purchase and rehabilitate vacant homes and convert them to affordable housing, and it is funded through the American Recovery and Reinvestment Act of 2009. TCB was funded to work in Illinois, Indiana, Massachusetts, Connecticut, North Carolina, New York, Ohio, Pennsylvania, Virginia and the District of Columbia. As of September 30, 2013, the entire grant was earned, of which approximately \$8.5 million was earned in the current fiscal year and is included in "NSP2 grant" on the Consolidated Statement of Activities. A substantial portion of this grant is being used to provide loans to other entities which acquire the eligible properties. Those loans are subjected to a collectability analysis similar to other development loans made by TCB. The reserve expense calculated by this analysis is shown as "costs directly associated with projects" on the Consolidated Statement of Activities.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 5 - GRANTS - continued

During the year ended September 30, 2011, TCB was awarded a conditional three year grant totaling \$1,710,000 from *The Knight Foundation*, to be paid in four installments of \$256,500, \$256,500, \$593,500 and \$603,500. The revenue from this conditional grant will be recorded when the conditions have been satisfied. As of September 30, 2013, \$1,106,500 has been received. The remaining amount from the three year grant, \$603,500, will be recorded when the future conditions have been met, which is expected to occur during the year ended September 30, 2014. As of September 30, 2013, \$527,868 of funds have yet to be expended and are included in temporarily restricted net assets (see Note 11).

During the year ended September 30, 2013, TCB was awarded a \$29.5 million 2012 Choice Neighborhood Implementation Grant by HUD for Cincinnati, Ohio's Avondale neighborhood. Choice Neighborhood Implementation Grants support communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. The transformation plan is structured in four parts: housing, neighborhood, people and education. The core of the plan is the rehabilitation of five multifamily properties located along Avondale's Reading Road thoroughfare and the infill of new mixed-income housing on vacant lots in the area. A total of 318 units of housing will be constructed or substantially rehabilitated. As of September 30, 2013, \$189,592 has been earned and received.

In addition, the Company has received various unconditional grants and contributions. The majority of these grants and contributions are from governmental agencies.

#### NOTE 6 - NOTES AND INTEREST RECEIVABLE

TCB and The Community Builders Charitable Trust ("TCBCT") have made loans to fund pre-development expenses in various project entities. These loans take the form of notes receivable and provide that the amounts are to be repaid at the earlier of the project closing, placement of permanent debt or some other event that results in repayment. Repayment can vary from two years to five years from the date of the notes, with interest ranging from 0% to 12%. As of September 30, 2013, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to \$6,430,861.

TCB has made loans to twenty project entities utilizing funds received from a grant award of \$78.6 million from HUD as part of the NSP2 Program. These loans take the form of notes receivable and repayment can vary from one to thirty years from the date of the notes, with interest ranging from 0% to 8%. As of September 30, 2013, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to \$18,846,053, of which \$2,389,261 is included in "notes and interest receivable, current portion" on the Consolidated Statement of Financial Position.

TCB has a note receivable from *Kent Street Housing LP* in the original amount of \$473,265, which accrues interest at a rate of 8%, compounded annually. The note is collateralized by the project. The note is to be repaid from cash flow, if any, as defined in the note agreement, or at maturity in December 2018. As of September 30, 2013, principal and accrued interest were recorded at net realizable value of \$239,949.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 6 - NOTES AND INTEREST RECEIVABLE - continued

TCB Hudson LLC (a majority owned and controlled subsidiary) has a note receivable from Lincoln Court II LP in the original amount of \$700,000 purchased from The Community Development Trust, LP, an unrelated entity. The note accrues interest at 7.9%. The note is collateralized by the project. Monthly payments of \$5,088 are due on the first day of each month. All principal and unpaid interest are due upon maturity on April 1, 2021. As of September 30, 2013, principal and accrued interest were recorded at net realizable value of \$746,043. As of September 30, 2013, payments have not been made and the note is in default.

TCB Hudson II LLC (a majority owned and controlled subsidiary) has a note receivable from Lincoln Court III LP in the original amount of \$1,700,000 purchased from U.S. Bank National Association, an unrelated entity. The note accrues interest at 8.3%. The note is collateralized by the project. Monthly payments of \$12,831 are due on the first day of each month. All principal and unpaid interest are due upon maturity on April 1, 2018. As of September 30, 2013, principal and accrued interest were recorded at net realizable value of \$1,867,936. As of September 30, 2013, payments have not been made and the note is in default.

As of September 30, 2013, other notes receivable of \$154,156 remain outstanding. The other notes receivable interest rates range from 4.4% to 8.75% with maturity dates ranging from two years to forty years from the date of the note.

Interest income on TCB notes amounted to \$2,488,462 and interest on *TCBCT* advances amounted to \$72,625 which has been recognized in relation to these loans during the year ended September 30, 2013. Interest is included in "interest and other" on the Consolidated Statement of Activities.

#### **NOTE 7 - DEFERRED REVENUE**

As of September 30, 2013, "deferred revenue" consisted of 36% 1602 Program (see Note 10), 30% of development revenue, 28% of asset management fees, 4% of lease incentive (see Note 14) and 2% of prepaid payroll.

#### NOTE 8 - NSP2 DUE TO AFFILIATES

The majority of the "NSP2 due to affiliates" balance consists of 5 loans with interest rates ranging from zero to 3.57%. These were advanced to various NSP2 projects to fund acquisition and/or construction. As of September 30, 2013, the balance is \$7,264,988.

#### **NOTE 9 - DUE TO AFFILIATES**

The majority of the "due to affiliates" balance consists of short term loans made during the normal course of business to TCB from various non-consolidated real estate operating entities. Repayment of these loans is expected within one year. As of September 30, 2013, the balance is \$772,582.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 10 - LOANS AND ACCRUED INTEREST

#### **Life Insurance Community Investment Initiative**

TCB has a promissory note dated August 28, 2006 with *The Life Insurance Community Investment Initiative, LLC* for borrowings up to \$2,500,000 to be used for specific properties. The note is a revolving line of credit and bears simple interest at 6.5%, payable monthly. Any unpaid principal and interest is due July 15, 2015. The note requires certain financial covenants. The note is secured by certain development fees of present and future rights, title and interest of selected projects as defined in the Amendment of Security Instruments Agreement dated August 11, 2009. As of September 30, 2013, the balance outstanding was \$2,159,184.

#### MacArthur

TCB has a promissory note dated July 13, 2007 with *MacArthur* for \$2,000,000 at 1% simple interest per annum for a stated term of approximately five years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due December 1, 2013. Subsequent to year end, the debt was restructured resulting in a reduction of principal of approximately \$768,000, leaving a balance due of \$1,000,000 which is expected to be repaid over a three-year period. As of the report date, the Company's modification documents had not been executed and the note is presented as currently due within the financial statements. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the area surrounding the Company's properties in the Oakwood Shores neighborhood of Chicago. The note is secured by the property. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (5.15%) and the present value of the payments at the stated interest rate (1%) is resulting in a loan present value of \$1,639,001 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. The discount was fully amortized as of September 30, 2013. As of September 30, 2013, the balance outstanding was \$1,767,526.

TCB has a promissory note dated October 30, 2007 with *MacArthur* for \$2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due upon maturity, April 1, 2018. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. The note is secured by the property. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.88%) and the present value of the payments at the stated interest rate (2%) is \$468,866, resulting in a loan present value of \$1,531,134 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2013, the note was recorded at \$1,797,441.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 10 - LOANS AND ACCRUED INTEREST - continued

#### MacArthur - continued

TCB has a promissory note dated December 18, 2009 with *MacArthur* for \$2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due between April 1, 2018 and April 1, 2020. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. The note is secured by the property. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.11%) and the present value of the payments at the stated interest rate (2%) is \$328,234, resulting in a loan present value of \$1,671,766 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2013, the note was recorded at \$1,791,852.

#### Eastern Bank ("Eastern")

TCB has a revolving line of credit dated June 5, 2009, as amended from time to time up to and including the Fourteenth Amendment to Loan and Security Agreement dated April 22, 2013, with *Eastern* for up to \$4,000,000. The line of credit bears an interest rate equal to the Wall Street Journal Prime Rate plus 0.25%, currently 3.5% and is due on demand and subject to renewal on February 28, 2014. Monthly payments of interest are required and principal shall be due and payable on demand. The note is secured by the assets of TCB except for those excluded assets as defined in the second amendment to the Loan and Security Agreement which have been previously pledged. In addition, the line of credit has been guaranteed by *Community Development, Inc.* ("CDI"), a not-forprofit affiliate (See Note 14). As required by the loan agreement, certain covenants must be met. As of September 30, 2013, the balance outstanding was \$4,000,000 and was included in "loans and accrued interest, current portion" on the Consolidated Statement of Financial Position.

#### U.S. Bank National Association ("U.S. Bank")

TCB entered into a promissory note dated April 29, 2011 with *U.S. Bank* for \$293,938 with interest at the Prime Rate of the lender for a stated term of five years, currently 3.25%. Accrued interest is paid monthly and any remaining principal and unpaid interest is due on April 29, 2016. The proceeds were used to secure the purchase of a promissory note by TCB Hudson II LLC from U.S. Bank with a purchase price of \$1,693,938. The promissory note is now due from Lincoln Court II LP to TCB Hudson II LLC. TCB owns 87.4% of TCB Hudson II LLC. The note was secured by a mortgage on the project's property. As of September 30, 2013, the balance outstanding was \$156,774.

#### Town of Mashpee

TCB has a non-interest bearing note dated October 21, 1994 with the *Town of Mashpee* for \$500,000 with a maturity date of October 21, 2017. The difference between the present value of the payments at the market rate and the present value of the payments resulted in a loan present value of \$250,238 with an effective rate of 8% at inception. This discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. The note is secured by the property. Amortization of the discount is included in interest expense. As of September 30, 2013, the note was recorded at \$356,289.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 10 - LOANS AND ACCRUED INTEREST - continued

#### **Bank of America**

TCB has a revolving line of credit dated December 30, 2011 with *Bank of America* for up to \$27,000,000. The line of credit bears a floating interest rate equal to the daily 30-day LIBOR plus 3.75%, currently 3.92%. Monthly payments of interest are required and principal shall be due upon repayment to TCB of 100% of short-term NSP2 loan principal comprising the Borrowing Base, as defined in the agreement. All unpaid principal and accrued interest are due upon maturity, December 2014. As required by the agreement, certain covenants must be met. As of September 30, 2013, the balance outstanding was \$7,779,123.

#### Community Economic Development Assistance Corporation ("CEDAC")

During the year ended September 30, 2013, TCB entered into a promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Loomworks Phase I* project. The total maximum amount is \$400,000 with simple interest at 7% per annum. The note is secured by a mortgage on the project's property. All principal and interest is due at the earlier of first project closing or when construction financing is obtained for the project. As of September 30, 2013, the balance outstanding was \$92,058.

During the year ended September 30, 2013, TCB entered into a promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Historic South End* project. The total maximum amount is \$500,000 with simple interest at 5.50% per annum. The note is secured by a mortgage on the project's property. All principal and interest is due at the earlier of first project closing or when construction financing is obtained for the project. As of September 30, 2013, the balance outstanding was \$500,000.

During the year ended September 30, 2013, TCB entered into a promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Province Landing* project. The total maximum amount is \$400,000 with simple interest at 2.95% per annum. The note is secured by a mortgage on the project's property. All principal and interest is due at the earlier of first project closing or when construction financing is obtained for the project. As of September 30, 2013, the balance outstanding was \$400,000.

#### **Predevelopment and Construction Loans**

In support of its development activities at a number of geographic locations, the Company, through various sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of predevelopment and construction loans with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from 0% to 5% and are generally secured by the property under development. Due dates are generally concurrent with construction completion ranging from 2014 to 2026. As of September 30, 2013, there are approximately 7 loans outstanding with principal and accrued interest balances totaling \$2,750,968 and zero, respectively.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 10 - LOANS AND ACCRUED INTEREST - continued

#### **Rental Property**

University Park Apartments LP (a wholly owned subsidiary) and Merrill Court Apartments LP (a wholly owned subsidiary) have promissory notes with the *Illinois Housing Development Authority* ("IHDA") that were funded by the American Recovery and Reinvestment Act of 2009 Section 1602 Tax Credit Exchange Program ("1602 Program"). The notes are secured by the property, are non-interest bearing and will be released in full in December 2026 and December 2027, respectively, provided a default does not exist. Upon the occurrence of a Recapture Event, as defined, the notes will be subject to recapture by IHDA in an amount equal to the original principal balances less 6.67% for each full year during the tax credit compliance period in which a Recapture Event has not occurred. Under the loan agreements, loan principal is released annually at a rate of 6.67% over the 15 year tax credit compliance period. As of September 30, 2013, the total amount outstanding was \$11,306,667 and \$3,854,191, respectively. During the year ended September 30, 2013, the amount released was \$853,333 and \$290,882, respectively, which was transferred to deferred revenue and will be recognized as income over the life of the related asset (see below). Loan proceeds funded with Section 1602 program funds, as noted above, are intended to assist with payment of development costs of low income housing tax credit properties. In exchange for the funds received, University Park Apartments LP and Merrill Court Apartments LP have agreed to operate the properties in accordance with Section 42 of the IRC. Portions of the loans which have been released are considered government assistance related to assets. University Park Apartments LP and Merrill Court Apartments LP record the portion of the loans released as deferred revenue which will be amortized and recognized as income on a straight line basis over the 40 year depreciable life of the building and improvements. As of September 30, 2013, included in deferred revenue was \$933,333 and \$318,153, respectively. During the year ended September 30, 2013, \$320,000 and \$109,081, respectively, was recognized as income and is included with "interest and other" on the Consolidated Statement of Activities.

TCB Central Pennsylvania, LLC (a wholly owned subsidiary) has a line of credit with Enterprise Community Loan Fund, a mortgage with Redevelopment Authority of the County of Lancaster and four mortgages with Pennsylvania Housing Finance Authority. The loans accrued interest from zero to 5.5% and are secured by the property. The loans have maturity dates ranging from 2015 to 2027. As of September 30, 2013, the principal balances outstanding range from \$73,801 to \$4,833,189. As of September 30, 2013, outstanding principal and accrued interest balances totaled \$7,885,107 and zero, respectively.

TCB Lincoln Woods LLC (a wholly owned subsidiary) has three mortgages with MassHousing. Two require monthly installments of \$26,220 and \$23,021, including simple interest at 6.96% and 7.3%, respectively. Principal and interest is payable through March 2018 and April 2032, respectively. The third mortgage bore simple interest at 6% and was due February 1, 2012 in the principal amount of \$2,202,596. In the prior year, the third mortgage was extended to February 2014 and the interest rate was reduced to 2.36% per annum. The notes are secured by the property. As of September 30, 2013, outstanding principal and accrued interest balances totaled \$6,113,377 and \$37,846, respectively.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 10 - LOANS AND ACCRUED INTEREST - continued

#### **Rental Property - continued**

In addition, in support of its rental activities at a number of geographical locations, the Company, through 9 sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of other mortgages with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from zero to 8.5% and are secured by the properties. The loans have maturity dates ranging from 2015 to 2042 and require monthly payments ranging from zero to \$20,343. As of September 30, 2013, there are approximately 14 loans outstanding with principal balances ranging from \$19,562 to \$2,000,000. As of September 30, 2013, outstanding principal and accrued interest balances totaled \$10,040,316 and \$2,348,402, respectively.

As required by some mortgages, certain loan covenants must be met. Failure to meet these covenants would require the outstanding principal balance and accrued interest to be due and payable prior to the maturity date.

#### **Letter of Credit**

The Company has a letter of credit, dated November 23, 2010 with *JPMorgan Chase Bank* in the amount of \$69,015, which is primarily held as a requirement by IHDA. The letter of credit is collateralized by the property and is subject to an annual review. During 2013, the letter of credit was not used. The letter of credit expired in November 2013.

#### Maturities

Principal payments due during each of the next five years on the above-mentioned debt are as follows:

2014	\$ 12,203,363*
2015	18,989,684
2016	2,071,010
2017	1,639,361
2018	4,664,006

<sup>\*</sup>Includes accrued interest of \$149,618

Included in "loans and accrued interest, current portion - rental property" on the Consolidated Statement of Financial Position is \$149,618 of accrued interest. Included in "loans and accrued interest, net of current portion - rental property" on the Consolidated Statement of Financial Position is \$63,469 of miscellaneous accrued interest. For the year ended September 30, 2013, interest costs incurred was \$2,236,675, of which \$1,711,553 was expensed and \$525,122 was capitalized.

#### NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of resources available to meet future obligations in compliance with the restrictions specified by donors. As of September 30, 2013, temporarily restricted net assets consists of \$669,474. Substantially all of which are to be used to empower residents through engagement activities, life-skills education and training in the "Community Life" pilot programs in Ohio and Illinois.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### **NOTE 12 - OPERATING LEASE OBLIGATIONS**

#### As Lessee

TCB leases property and equipment under certain agreements requiring monthly payments of \$5,910 to \$72,912 expiring between 2016 and 2018. Future minimum lease payments of non-cancelable operating leases consisted of the following as of September 30, 2013:

2014	\$ 1,257,332
2015	1,296,574
2016	1,296,310
2017	1,265,023
2018	478,517

Total expense for operating leases was \$1,318,496 for the year ended September 30, 2013.

#### As Lessor

TCB leases space to commercial tenants under eight, non-cancelable leases requiring fixed monthly payments of \$83 to \$2,016 expiring between 2014 and 2017. The related facility expenses are reported as program costs in the Consolidated Statement of Functional Expenses. As of September 30, 2013, future minimum receipts under non-cancelable operating leases are as follows:

2014	\$ 64,203
2015	47,883
2016	46,103
2017	40.460

#### **NOTE 13 - EMPLOYEE BENEFITS**

#### **Defined Contribution Plan**

The Company has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC for the benefit of eligible employees. Employees are eligible to participate in the plan upon hire. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. Employees hired after March 1, 2008, are eligible to have their contributions matched by the Company after one year of service. Employees hired before March 1, 2008, have their employer contributions added to the defined benefit retirement plan. The matching rate is set by management on an annual basis and was up to 3% during the year ended September 30, 2013. Matching contributions incurred by the Company amounted to \$260,177 under this plan for the year ended September 30, 2013.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 13 - EMPLOYEE BENEFITS - continued

#### **Defined Benefit Retirement Plan**

TCB maintains a non-contributory defined benefit retirement plan ("the Plan") covering many of its employees. Benefits paid are based on an employee's years of service and average compensation. TCB's policy is to fund amounts as necessary on an actuarial basis to provide assets sufficient to meet the benefits to be paid to plan members in accordance with the requirements of the Employee Retirement Income Security Act of 1974. TCB is the plan administrator. Assets of the Plan were administered by Boston Trust and Investment Management Company through July 2013, at which time the administrator became Morgan Stanley. The assets of the Plan are invested in a managed-growth mutual fund that invests principally in fixed-income and equity securities.

The Plan was amended, effective March 1, 2008. The amendment disallows employees hired on or after March 1, 2008 to enter the Plan. Employees hired prior to March 1, 2008 remain eligible to participate in the Plan. The amendment also provides for an additional 1.275% of average annual compensation for credited service in excess of 35 years but not in excess of 38 years.

The following table sets forth the Plan's funded status and amounts recognized in the Company's Consolidated Statement of Financial Position as of September 30, 2013:

Change in Benefit Obligations:  Benefit obligations at beginning of year Service cost Interest cost Actuarial gain Benefits paid Benefit obligations at end of year	\$ 31,243,000 1,245,000 1,373,000 1,401,000 ( <u>297,000</u> ) \$ <u>34,965,000</u>
Change in Plan Assets:	
Fair value of plan assets at beginning of year	\$ 20,064,000
Employer contributions	1,045,000
Actual return on plan assets	2,587,000
Benefits paid	( <u>297,000</u> )
Fair value of plan assets at end of year	\$ <u>23,399,000</u>
Reconciliation of Funded Status:	
Funded status at September 30, 2013	\$ (11,566,000)
Unrecognized net actuarial loss at September 30, 2013	9,491,000
Unrecognized prior service cost	17,000
Net amount recognized at September 30, 2013	\$ ( <u>2,058,000</u> )
Funded status at September 30, 2012	\$ (11,179,000)
Unrecognized net actuarial loss at September 30, 2012	10,435,000
Unrecognized prior service cost	25,000
Net amount recognized at September 30, 2012	\$ ( <u>719,000</u> )

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 13 - EMPLOYEE BENEFITS - continued

#### **Defined Benefit Retirement Plan - continued**

Amounts recognized on the Consolidated Statement of Financial Position consist of:

Prepaid benefit cost	\$ -
(Accrued) benefit liability	( 9,020,000)
Effect on net income (loss) for change in additional	
minimum liability	6,962,000
Net amount recognized	\$ ( <u>2,058,000</u> )
Non-current accrued pension cost liability	\$ <u>11,566,000</u>
Accumulated benefit obligation	\$ <u>32,419,000</u>

Additional year end information for plans with benefit obligations and accumulated benefit obligations in excess of plan assets:

Benefit obligation	\$ 34,965,000
Accumulated benefit obligation	\$ 32,419,000
Fair value of plan assets	\$ 23,399,000

The components of net periodic benefit costs included in "salaries and related costs" on the Consolidated Statement of Functional Expenses as of September 30, 2013 are:

Service cost	\$ 1,245,000
Interest cost	1,373,000
Expected return on plan assets	(1,571,000)
Amortization of net gain	1,329,000
Amortization of prior service cost	8,000
Net period benefit costs	\$ <u>2,384,000</u>

Pension related changes other than net periodic benefit cost, included in "other expense" on the Consolidated Statement of Activities:

Net loss	\$ 385,000
Amortization of net gain or loss to net periodic benefit cost	(1,329,000)
Amortization of prior service cost to net periodic benefit cost	(8,000)
	\$ (_952,000)

As of September 30, 2013:

Employer contributions	\$ 1,045,000
Plan participant contributions	\$ -
Benefits paid	\$ 297,000

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 13 - EMPLOYEE BENEFITS - continued

#### **Defined Benefit Retirement Plan - continued**

The applicable rates used by the actuary in calculating the present value of the projected benefit obligations as of September 30, 2013 are as follows:

Discount rate	4.30%
Expected return on plan assets	7.50%
Salary increases	3.00%

The Company considers various factors in estimating the expected long-term rate of investment return. Among the factors considered include input from actuaries, historical long-term investment returns, the current and expected allocation of the Plan investments and long-term inflation assumptions.

The Company's expected long-term rate of return on assets is based on historical returns.

The Plan's target asset allocation by asset category as of September 30, 2013 is as follows:

Equity securities	55%
Bonds	45%
Total	<u>100%</u>

The Plan's actual asset allocation by asset category as of September 30, 2013 is as follows:

Equity securities	56%
Bonds	42%
Cash	
Total	<u>100%</u>

The Company estimates that contributions to be paid during the fiscal year ended September 30, 2014 will be approximately \$498,000.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2014	\$ 791,000
2015	856,000
2016	1,021,000
2017	1,264,000
2018	1,344,000
2019-2023	9,018,000

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### **NOTE 14 - RELATED PARTY TRANSACTIONS**

TCB's Chief Executive Officer is the owner of *Mitchell Properties*. *Mitchell Properties* and TCB formed a joint venture with common ownership to develop 225 Centre Street. During the year ended September 30, 2013 and with Board approval, TCB loaned \$100,000 in addition to \$1,386,186 loaned in a prior year, of Capital Magnet Funds to an entity controlled by *Mitchell Properties* to aid in its development of commercial space located at 225 Centre Street. The loan bears interest at 12% compounded annually. As of September 30, 2013, principal and accrued interest totaled \$1,486,186 and \$327,596, respectively, and is included in "notes and interest receivable current portion" on the Consolidated Statement of Financial Position.

A former member of TCB's Board of Directors is a principal at *Next Street*. During the year ended September 30, 2013 and with Board approval, *Next Street* performed \$160,562 of consulting services to the Company, which was paid during the year. The board member resigned from the board on March 5, 2013.

A member of TCB's Board of Directors is president and chief executive officer of the *Hispanic Housing Development Corporation* ("HHDC") (a not-for-profit organization). During the year ended September 30, 2012, *HHDC* entered into an agreement with TCB to co-develop a property. The total developer fee of \$1,193,273, of which \$643,273 was earned during the year ended September 30, 2013, will be shared between TCB and *HHDC* utilizing a ratio of 65% and 35%, respectively. As of September 30, 2013, \$357,982 of developer fees are outstanding and are included in "accounts and fees receivable, net" on the Consolidated Statement of Financial Position. As of September 30, 2013, \$125,294 is owed to *HHDC* and is included in "accounts payable" on the Consolidated Statement of Financial Position.

A member of TCB's leadership team is also a member on the Board of Directors of *Urban Edge Housing Corporation* which owns a minority share of 15 different general partnerships that TCB controls.

TCB earned property management, accounting, legal, consulting and development fees and site payroll reimbursements of \$30,762,864 for the year ended September 30, 2013 from certain limited partnerships in which TCB's subsidiaries are general partners. As of September 30, 2013, \$15,056,533 of fees and reimbursements from these partnerships is outstanding and is included in "accounts and fees receivable, net" on the Consolidated Statement of Financial Position.

TCB provided operating advances to certain limited partnerships in which TCB's subsidiaries are general partners. As of September 30, 2013, \$343,388 of operating advances were outstanding from these partnerships and is included in "due to affiliates" on the Consolidated Statement of Financial Position.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 14 - RELATED PARTY TRANSACTIONS - continued

#### **CDI**

TCB works closely with *CDI*, a charitable corporation. TCB earned property management fees, site payroll reimbursements, legal, consulting and accounting fees from CDI, an affiliate of TCB, for services performed related to the property located at 95 Berkeley Street in Boston, Massachusetts. TCB is a major tenant of the building, occupying approximately 32,108 square feet of office space. Included in "other expense" on the Consolidated Statement of Functional Expenses for the year ended September 30, 2013, is \$900,684 which relates to TCB's rental agreement with CDI. As of September 30, 2013, \$1,153,627 of rent and utility payments were outstanding and are included in "accounts payable" on the Consolidated Statement of Financial Position.

In a prior year, CDI paid for \$203,300 of leasehold improvements as an incentive for TCB to occupy additional space in the building. TCB has capitalized the leasehold improvements and incurred a deferred lease incentive of \$203,300, which will be amortized over the life of the lease. The deferred lease incentive is included in "deferred revenue" on the Consolidated Statement of Financial Position.

TCB has guaranteed the debt of CDI in the original amount of \$15,760,000.

#### New Hope Housing, Inc. ("New Hope")

TCB works closely with *New Hope*, a charitable corporation. In accordance with the agreement, TCB earned asset management, accounting and consulting fees from *New Hope* of \$1,474,380 for the year ended September 30, 2013. As of September 30, 2013, \$1,424,470 of fees and reimbursements were outstanding and are included in "accounts and fees receivable, net" on the Consolidated Statement of Financial Position.

As of September 30, 2013, TCB has advanced funds for operating costs to *New Hope*, totaling \$275,788, which is outstanding and are included in "due from affiliates" on the Consolidated Statement of Financial Position.

#### **TCB CDE**

TCB CDE entered into an Amended Allocation Agreement with the CDFI Fund, in which TCB SUB-CDE I, LLC, TCB SUB-CDE II, LLC, TCB SUB-CDE III, LLC, TCB SUB-CDE IV, LLC, TCB SUB-CDE V, LLC and TCB SUB-CDE VI, LLC, have become approved "Subsidiary Allocatees" of TCB CDE. TCB CDE is the managing member of the Subsidiary Allocatees. The Allocation Agreement places restrictions on TCB CDE's operations, including but not limited to, a specific geographical area of the low-income communities TCB CDE must serve. TCB CDE has been approved to serve low-income communities on a national basis. As of September 30, 2013, of the ninth round \$25,000,000 NMTC allocation, \$22,500,000 has been allocated to TCB SUB-CDE II, LLC, TCB SUB-CDE III, LLC and TCB SUB-CDE III, LLC.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 14 - RELATED PARTY TRANSACTIONS - continued

#### **TCB CDE** - continued

As of September 30, 2013, *TCB CDE* holds 0.01% membership interests in the Subsidiary Allocatees which are accounted for using the equity method (see Note 1).

The following is the unaudited financial information of the limited liability companies, which have not been consolidated in these consolidated financial statements: for *TCB SUB-CDE II*, *LLC*, *TCB SUB-CDE II*, *LLC* and *TCB SUB-CDE III*, *LLC* as of and for the year ended September 30, 2013:

Total Assets	\$ <u>22,529,113</u>
Total Liabilities	\$ 41,368
Equity	<u>22,487,745</u>
Total Liabilities and Equity	\$ <u>22,529,113</u>
Revenue	\$ 102,867
Expense	( <u>85,277</u> )
Net Income	\$ <u>17,590</u>

## NOTE 15 - SUPPLEMENTAL DISCLOSURES ON CASH FLOWS AND NON-CASH INVESTING AND FINANCING TRANSACTIONS

\$ <u>1,507,054</u>

#### Supplemental disclosures on cash flows:

Cash paid for interest

Capitalized interest	\$ 525,122
Non-cash investing and financing transactions:	
Notes payable repaid with due from affiliates proceeds	\$ 522,000
Notes payable repaid with property held for sale proceeds	50,000
1602 Program loan release classified as deferred revenue	715,128
Property held for sale costs included in accounts payable	969,983
Rental property in service purchases financed with debt proceeds	7,885,107
Property, plant and equipment additions included in accounts payable	26,724

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### **NOTE 16 - COMMITMENTS AND CONTINGENCIES**

In connection with the Company's development and financing activities, under certain terms and conditions, the Company has committed to advance funds to various entities to meet capital and operating requirements. In general, it is the Company's policy to limit its guarantee obligations (other than construction loan or completion guaranties, or environmental indemnities, which are generally required to be unlimited by investors and lenders) on individual developments to no more than 150% of the fees the Company receives in connection with the project. The Company has currently guaranteed approximately \$400 million through 95 entities. In addition to the quantifiable guarantees, there are 51 unlimited guarantees across 39 entities for such events as recapture of credits, repurchase of investor limited partner interests, tax credit adjusters and environmental indemnification. As of September 30, 2013, there were no guarantee liabilities accrued.

TCB is the developer of two, multi-phase HOPE VI projects located in Cincinnati, Ohio: Lincoln Court and Laurel Homes. The properties are marketed collectively as "City West." Together these projects represent 686 residential units in eight phases, owned by seven partnerships. Due to local market conditions, which had been exacerbated by the national economy, and underfunding of subsidy on the Public Housing Replacement Units, the projects previously operated at a deficit and were unable to fully support their currently scheduled debt service. During 2010, five of the eight phases defaulted on their debt service. During 2011, two of the Laurel Homes phases were forced to file for Chapter 11 protection and had filed a plan of reorganization with the bankruptcy court. During 2013, all remaining phases were successfully restructured with the support of their investors and lenders, resolving the defaults and structural problems and allowing the Chapter 11 filings to be dismissed.

As general partners, the subsidiaries of TCB can be exposed to legal and financial liabilities, in certain situations, on behalf of the limited partnerships, beyond their equity investments in the limited partnerships.

The Company is involved in various legal actions arising in the normal course of business. In the opinion of the Company's management, the liability, if any, for such contingencies will not have a material effect on the Company's Consolidated Financial Position.

The Company entered into 46 note agreements with various federal, state and local housing agencies, in the amount of approximately \$27.6 million, relating to various development properties. Repayment of the notes will be required only in the event that certain affordable housing and other restrictions, as defined in the note agreements, are not met. In the opinion of management, it is remote that these restrictions will not be met and, as such, a liability has not been accrued.

During the year ended September 30, 2008, the Company received an administrative complaint filed by the Environmental Protection Agency ("EPA") alleging non-compliance during 2005 and 2006 with lead-based paint disclosure laws in certain properties that the Company owned or managed in New England. Since 2006, the Company has submitted all required information and documentation requested by the EPA to satisfy their inquiry. During the year ended September 30, 2009, the Company reached an agreement with the EPA and HUD which have joint enforcement authority. The settlement included a penalty of \$200,000 which had been fully satisfied as of September 30, 2009. In addition, the agreement requires the Company and/or properties owned or managed by it to carry out \$2,050,000 of lead based paint abatement work at properties owned or managed by TCB by March 2013. On February 22, 2013, TCB was informed by EPA, in concurrence with HUD, that no further reporting was required.

*TCB CDE's* NMTC's are contingent on the Subsidiary Allocatees maintaining compliance with applicable sections of 45D of the IRC. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus penalties and interest.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2013

#### NOTE 17 - AFFILIATED SPONSORED ENTITIES

GAAP provides guidance on whether a partnership should be consolidated by one of its partners. The assessment of limited partners' rights and their impact on the presumption of control of the limited partnership by the general partner should be made when an investor(s) first becomes a general partner(s) and should be reassessed at each reporting period thereafter for which financial statements of the general partner are prepared.

The Company has approximately a .01% to 1% controlling interest in approximately 108 entities, which have not been consolidated into these financial statements, even though consolidation is required under GAAP. As general partner, the Company has unlimited liability over the recourse obligations of these entities. Of the total liabilities, approximately \$162 million are classified as recourse. The following unaudited information summarizes the financial condition of the entities as of September 30, 2013:

Total Assets	\$ <u>1,251,846,916</u>
Total Liabilities Equity Total Liabilities and Equity	\$ 1,060,358,638
Revenue Expense Net Loss	\$ 67,250,344 (112,965,513) \$ (45,715,169)

#### **NOTE 18 - SUBSEQUENT EVENTS**

The Company has performed an evaluation of subsequent events through January 17, 2014, which is the date the Company's Consolidated Financial Statements were available to be issued. No material subsequent events, other than the items disclosed below, have occurred since September 30, 2013 that required recognition or disclosure in these Consolidated Financial Statements.

Subsequent to year end, *Historic South End Limited Partnership* (a wholly owned subsidiary of TCB) was sold. TCB withdrew as the limited partner and was replaced by *Cornerstone/NAHT Enhanced Preservation Fund 2013-1 LP* as the new limited partner. *Historic South End Limited Partnership* received capital contributions in the amount of \$3,080,350 in connection with the sale. In addition, *Historic South End Limited Partnership* entered into loan agreements with *MassHousing* and received loan proceeds in the amount of \$13,841,860. One sponsor loan and two seller loans were entered into for the benefit of TCB in the amounts of \$2,704,098, \$9,045,528 and \$4,554,472, respectively.





## Eliza Edelsberg Datta

Director of Development -Northeast

Eliza Edelsberg Datta joined The Community Builders in 2013 as Director of Development for New England. Ms. Datta directs TCB's real estate development activities and manages the project management staff within the New England region.

Previously, Ms. Datta was a Vice President for Development with New Boston Fund, a private real estate investment firm, where she managed several large-scale mixed-income development projects in the Boston area. Prior to that, she was a Vice President for real estate development with Phipps Houses, New York City's largest non-profit owner and developer of affordable housing, and was involved in the development of over 1,000 units of low and moderate-income housing.

Ms. Datta holds a Master of City Planning and Master of Science in Real Estate Development from MIT and a B.A. in Architecture from Yale.

#### Eliza Edelsberg Datta

40 Homer Street, Newton, MA 02459 (617) 834-7734 elizae@alum.mit.edu

#### PROFESSIONAL EXPERIENCE

#### The Community Builders, Inc., Boston, MA

2013-present

Director of Development, New England

Responsible for directing real estate development activities and managing the project management staff within in the New England region for a national non-profit housing developer. Current pipeline of projects includes 18 projects totaling approximately 1,900 units of affordable and mixed-income housing in Massachusetts and Connecticut.

#### New Boston Fund, Inc., Boston, MA

2009-2013

Vice President, Development

Managed several large-scale, urban development projects for a private equity real estate investment company. Directed development activities for two multi-phased, mixed-income residential projects in Boston, with a total of 850 housing units. Accountable for maintaining project budgets and schedules, managing relationships with joint venture partners and public agencies, and negotiating business terms that protect and advance equity investors' interests.

#### Phipps Houses, New York, NY

2004-2009

Vice President (2007-2009), Asst. Vice President (2006-2007), Project Director (2004-2006)

Planned and implemented development projects for New York City's largest non-profit owner and developer of affordable housing. Oversaw a pipeline of 10 projects totaling 1,000 units of housing with a value of more than \$300 million. Directed teams of design, legal, and environmental consultants; secured public approvals and funding for projects; structured, negotiated, and closed complex financial transactions with multiple funding sources.

#### Affirmative Investments, Inc., Boston, MA

2002-2004

Project Manager

Provided real estate development and financial consulting services to non-profit clients on affordable housing, assisted living, and hospital campus projects. Specialized in multi-tiered financing structures that combined syndicated equity, various sources of debt financing, and federal and state grant programs.

#### Corcoran Jennison Company, Inc., Boston, MA

2000-2002

Project Director, Development

Managed the real estate development process for a range of large-scale urban projects. Coordinated acquisition, design, and permitting activities for a \$100 million, 30-acre mixed-use waterfront development in New London, CT that included the redevelopment of a former naval base.

#### Abt Associates Inc., Cambridge, MA

1999-2000

Senior Analyst, Housing and Community Revitalization Consulting Practice

Provided technical assistance to public housing authorities undertaking large-scale redevelopment projects, including guidance on program, master planning, financing structure, and developer procurement.

#### South Boston Neighborhood Development Corporation, Boston, MA

1995-1997

Housing Project Manager

Managed all phases of development for several affordable housing projects in South Boston, including a \$1.1 million renovation of an historic mixed-use building in the central business district.

Oak Hill Community Development Corporation, Worcester, MA – AmeriCorps VISTA Volunteer

1994-1995

William Rawn Associates, Architects, Inc., Boston, MA - Marketing Coordinator

1993-1994

#### **EDUCATION**

#### Massachusetts Institute of Technology, Cambridge, MA

1997-1999

Master of Science in Real Estate Development

Master in City Planning

Honors: U.S. Department of Housing and Urban Development Community Development Fellowship

#### Yale University, New Haven, CT

1989-1993

Bachelor of Arts degree in Architecture

Honors: Phi Beta Kappa, Magna Cum Laude, Distinction in Architecture







Willie Jones
Senior Vice President, Regions

Willie Jones is a Senior Vice President and Director of The Community Builders, Inc and has been with the organization for 24 years. He is responsible for managing the full range of real estate services that TCB offers. His current responsibilities include new project and program development across all three of their regions; managing planning and entitlements on all new projects; evaluating business opportunities; and assisting in corporate policy development. Over the past two decades, Mr. Jones spearheaded The Community Builder's efforts in securing and implementing new HOPE VI engagements nationally.

Mr. Jones is a 1974 graduate of Brown University with a Bachelor of Arts degree in Sociology concentrating in Urban Planning. Before joining The Community Builders, Inc., he served: as an assistant to the Dean at the College of Engineering at Northeastern University; on the faculty at Tufts University's Urban and Environmental Policy Program; and, at the MIT Department of Urban Studies and Planning's Professional Development Institute. He continues to teach seminars for the Urban Land Institute and at Harvard's Kennedy and Divinity Schools. He completed a three-year term on the Consumer Advisory Council of the Federal Reserve Board. Mr. Jones has received multiple awards for his Housing and Community work.







Beverly J. Bates Senior Vice President, Development Operations

Beverly (Bev) Bates joined The Community Builders, Inc. in 1985 as a Project Manager. She currently holds the position of Senior Vice President, Development Operations in which she and her staff provide technical support and oversight for TCB's real estate development activities in the areas of finance, design and construction, and project management. Prior to assuming this role in March of 2001, she was responsible for overseeing TCB's Mid-Atlantic Region, including extensive activities in Pennsylvania and New Jersey. Ms. Bates was responsible for establishing TCB's highly successful office in Pittsburgh, and was formerly the Director of TCB's Western Massachusetts operations. In these capacities, Ms. Bates has overseen the development of thousands of units of affordable and mixed-income housing utilizing a wide range of public and private financing sources.

Prior to joining TCB, Ms. Bates was the Financial Director of Brightwood Development Corporation, a highly successful nonprofit community development corporation operating in the North End neighborhoods of Springfield, MA. She has worked as an Investment Officer for the Massachusetts Community Development Finance Corporation and for the Massachusetts Executive Office of Communities and Development. Ms. Bates has been active on numerous community boards and is a founding member of Housing and Economic Resources for Women, a non-profit organization serving low-income women and children. Ms. Bates is a graduate of Springfield College in Springfield, MA with a degree in Community Leadership and Development.







Thomas Buonopane
Director of Finance

Tom Buonopane joined The Community Builders, Inc. (TCB) in 2006 as a member of the Finance Department. He currently holds the position of Director of Finance in which he and his staff provide support to development and finance activities in the organization. He works closely with the development teams to secure financing and to design the capital structure for the various mission-based projects. Mr. Buonopane is experienced in providing strategic assistance to developers on financial structuring for transactions using public and private capital sources.

Prior to joining TCB, Mr. Buonopane was a Senior Manager of a consulting division for a worldwide professional services firm, which provided tax, accounting, consulting, and specialist advisory services to developers and investors. Mr. Buonopane has over 12 years of experience working on a wide range of tax advantaged real estate projects, including low-income housing, historic rehabilitation, and new markets tax credit projects. Mr. Buonopane holds a Bachelors degree in Business Administration from Northeastern University.







Homayoun Sarabi
Vice President of Design and Construction

Homayoun Sarabi joined The Community Builders, Inc. (TCB) in March of 1998 in the capacity of Construction Manager. In that role, Homayoun was responsible for entire construction operations for the Park DuValle, a Hope VI project in Louisville, KY. His responsibilities included overseeing the site development, installing utilities, grading, residential and commercial construction, managing environmental remediation and future developments.

After completion of Park DuValle, he was promoted to Director of Construction for The Community Builders. In that capacity Homayoun was oversaw the construction operations of over twenty Hope 6, 202, and tax credit projects.

In 2005 he was promoted to Vice President of Design and Construction. In this role, his division is responsible for Design as well as Construction for all projects.

Prior to this, Homayoun was construction manager for Presnell & Associates in Louisville, KY. In that capacity he oversaw the construction of commercial properties such as Kroger's stores, a new Court House, a new juvenile delinquent center, power plant construction, and other private commercial properties.

Homayoun is a graduate of the University of Louisville (Speed Scientific School) with a Bachelor's Degree in Civil Engineering in 1979 and a Master's Degree in Structural Engineering in 1980. Homayoun has over 28 years experience with civil engineering and construction management.







Maria Correia
Director of Property
Management Operations

Maria Correia joined The Community Builders, Inc. (TCB) in March 2001 assuming senior level responsibility for the delivery of property management services to the New England portfolio. Ms. Correia also oversaw the initial rent-up and initialization of services for several large multi-phased HOPE VI communities as TCB expanded its portfolio into the Midwest. In her current role as Director of Property Management Operations, Ms. Correia designs and implements TCB's Standard Operating Procedures for the Property Management division and oversees compliance with the terms and conditions of funding sources, statutory, federal and local laws/regulations and internal management policies.

Ms. Correia is an expert in positioning properties for financial restructuring while insuring minimal effects on the lives of the residents. She began her career in public housing, which gave her the necessary experience to be TCB's HOPE VI specialist. Over her 30-year career in the housing industry, Ms. Correia has worked on a remarkable variety of properties, including affordable, market-rate, mixed-finance, public housing, condominiums and commercial sites. She has overseen properties in the Northeast, Southeast and Midwest. Her strength and experience in budgeting and asset management give her the tools necessary to produce viable and financially stable housing in our portfolio. Throughout her career, Ms. Correia has also focused on the intricacies of 504 regulations. Maria chairs TCB's Reasonable Accommodation Committee.

Prior to joining TCB, Ms. Correia held the position of Director of Assisted Housing for Claremont Management Corporation, a privately held owner/manager of multifamily housing across the country. In this role, she provided overall direction for the effective delivery of property management services at the properties in the portfolio that received governmental assistance. Ms. Correia was with Claremont from 1985 where she originally started in a site management role, assumed regional oversight responsibility and eventually grew to her final position as a member of the senior staff. She also held the position of 504 Coordinator for the organization. Prior to Claremont, Ms. Correia began her career in housing in a site level position at a large development owned and operated by the New Bedford (MA) Housing Authority. She has extensive hands-on experience and knowledge of governmental subsidy and assistance programs.

Ms. Correia holds the distinguished Certified Property Manager© (CPM) designation, is a C13P certified LIHTC Specialist, and holds a Massachusetts Real Estate Sales Persons License.







Talmira Hill
Vice President, Ways & Means

Talmira Hill joined The Community Builders, Inc., in April 2012 as vice president, Ways & Means. Talmira leads the development and expansion of programs that assist more than 4,400 residents of mixed-income housing in fulfilling their aspirations for financial stability and asset development, youth development and education, workforce development, and community engagement across the TCB portfolio.

Previously, Talmira founded the T. L. Hill Group led an independent firm that designs innovative, partnership-driven initiatives to improve education, workforce development and youth development outcomes in low-income and underrepresented communities for mission-driven non-profit organizations, philanthropic institutions and federal agencies – among them being Big Picture Learning, Center for the Study of Social Policy, Ford Foundation, National League of Cities Institute for Youth, Education and Families, U.S. Department of Health and Human Services and the Youth Transition Funders Group. Prior to consulting, Talmira was a program officer with the Annie E. Casey Foundation and served as a special assistant to the Under Secretary in the U.S. Department of Education during the Clinton Administration. Talmira began her career in international economic development as an intern with Africare and considers her years living and working in Senegal, West Africa, as critically significant in shaping her perspectives.

Talmira earned a Master of Education degree from Harvard University and a Bachelor of Science degree in foreign service from Georgetown University. Author of Setting the *Stage for New High Schools: Municipal Leadership in Supporting High School Alternatives* (2007), Talmira serves on the boards of Diploma Plus, Inc., and HJW Edgeworks Dance Theater.





### Jonathan Klein

General Council

Jonathan Klein, TCB's General Counsel, has been responsible for a wide variety of affordable housing transactions, including many dozens of tax credit projects in various states, creation and management of tax credit funds, 501(c)(3) and private activity bond transactions, cooperative and other resident controlled developments, expiring use projects under a variety of Federal programs, acquisition and redevelopment of distressed HUD projects, and HOPE VI / public housing redevelopment projects. Recently, Jonathan has represented charter schools and other nonprofit organizations in complex New Markets Tax Credit (NMTC) transactions.

Jonathan Klein has recently returned to TCB as General Counsel after serving as a founding partner of Klein Hornig LLP, a law firm with based in Boston and Washington, DC; the firm currently has 27 lawyers and focuses exclusively on affordable housing and community development transactions. Jonathan had been General Counsel of TCB for 13 years before leaving to form Klein Hornig in 2002. From 1981 to 1987, Jonathan was an attorney at the Boston firm of Brown Rudnick Freed and Gesmer, where his primary practice was in commercial real estate with a concentration on affordable housing and community development law.

#### **Bar Admissions**

Massachusetts

#### Education

- University of Michigan Law School, J.D., 1981, magna cum laude, Order of the Coif
- University of Michigan College of Literature Science and the Arts, B.G.S., 1974, High Honors

#### **Representative Clients and Transactions**

- Counsel to a joint venture between a major private developer and sophisticated tenant organization in the \$110 million acquisition, financing and redevelopment of a 500 unit affordable housing development utilizing low income housing tax credits and the first use of Treasury NIBP bonds in the state (2010)
- Counsel to a major nonprofit developer in the financing and new construction of a 400+ unit redevelopment of a vacant, blighted area in a major city, including a 240-unit affordable rental phase which began construction in early 2011 and two subsequent mixed-income homeownership phases scheduled for 2012-2013

- Represent a Massachusetts bank lender in its complex affordable housing loans
- Represented a for-profit/nonprofit joint venture in the 2010 acquisition and redevelopment of an 80-unit HUD 202 senior housing project, including the first 202 prepayment in the nation under the new authority provided in the 2009 Appropriations Act, with an innovative plan (requiring a significant HUD waiver) to convert HUD's enhanced vouchers to a 15-year project based contract
- Represented a local nonprofit organization in the acquisition and financing (in 1988-1989) of a 300+ unit expiring use project, utilizing a wraparound mortgage and low-income housing tax credits, and in the investor buyout and conversion to a nonprofit-owned development controlled by the residents in 2005-2007
- Counsel to a major regional nonprofit organization in the financing and syndication of various preservation projects between 2002-2010, including the redevelopment of the a 500+ unit mixed rental and ownership project utilizing low-income housing tax credits, historic tax credits, tax-exempt bonds and local gap funding
- Federal counsel (with local counsel assistance) to a housing authority in a Midwestern state for its multi-phased \$40+ million HOPE VI redevelopment of a distressed public housing project as mixed-income, mixed-financed housing (2003-2007), and for several subsequent mixed-finance developments (2008-2010)
- Counsel to a resident cooperative corporation in connection with the development a 50-unit, resident-controlled syndicated mixed-income cooperative utilizing historic tax credits (1986), and the subsequent refinancing and transfer of the property to the resident cooperative (2004)
- Counsel to several cohousing groups in Massachusetts in connection with all aspects the development of new construction cohousing communities
- Counsel to a major regional nonprofit in connection with acquisition, financing and refinancing of a 100,000 square foot office building devoted solely to nonprofit tenants
- Represented a YWCA in the financing and renovation of its historic headquarters as mixed-income housing, nonprofit offices and retail / commercial space utilizing low-income housing tax credits, historic tax credits, and a variety of public and private mortgage loans
- Counsel to a charter school in financing the acquisition and expansion of its facilities with New Markets Tax Credits and Qualified Zone Academy Bonds

#### **Publications**

- "Nonprofit Guaranties in Tax Credit Transactions: A New Era," with Roberta Rubin, Esquire, Journal of Affordable Housing and Community Development Law, Summer 2006 (following up on "Nonprofit Guaranties in Tax Credit Transactions," with Roberta Rubin, Esquire, Journal of Affordable Housing and Community Development Law, Fall 1999)
- "Tax Exemption for Organizations: Finally, Safe Harbor is Truly Safe," with Jennifer Gilbert, Esquire, Journal of Affordable Housing and Community Development Law, Summer 1995

- "The Low-Income Housing Tax Credit: Federal Help for Low-Income Housing," with Lynn Wherli, Boston Bar Journal, July / August 1990 and Connecticut Real Estate Journal, October 1990
- "Using the Low-Income Tax Credit to Develop Cooperative Housing," Cooperative Housing Bulletin, September / October 1990
- "Legal Aspects of Cooperative Housing," with John Achatz, Esquire, May, 1989 (published privately)

#### **Selected Awards, Community and Professional Activities**

- Community Service Award for both Jonathan Klein and Klein Hornig LLP from the Jewish Alliance for Law and Social Action, January 2013
- Preservation Advisory Committee of the Commonwealth of Massachusetts Department of Housing and Community Development, member (2010-current)
- Leadership Advisory Committee for the Mel King Institute, Boston, Massachusetts (2011-present)
- Congregation Temple Beth Zion, Brookline, Massachusetts, former President and Board Chair
- Lawyers' Clearinghouse on Affordable Housing and Homelessness, a joint project of the Boston and Massachusetts Bar Associations, founding Steering Committee Member (1988-1994) and pro bono attorney (current)
- Member, Campus Cooperative Hall of Fame (awarded by North American Students of Cooperation, 1997)
- Association for Resident Control of Housing, Boston, Massachusetts, founding Director (1982-1994) and President (1988-1990), and recipient of Distinguished Cooperation Award (1999)
- Urban Edge Housing Corporation, Finance Committee (2008-current) and member of Board of Directors (2002-2008)





## Mick Vergura Chief Financial Officer

Mick Vergura joined The Community Builders, Inc. (TCB) in 2008 and currently holds the position of Chief Financial Officer. He and his staff provide financial support and oversight for TCB's financing, real estate development and property management activities. Mr. Vergura oversees TCB's operational accounting, including financial reporting, budgeting, audits, internal audits, taxes, regulatory and housing compliance and information technology. He also manages TCB's banking and borrowing relationships and directs the treasury management of all working capital reserves.

Mr. Vergura has a background as a CPA with Coopers & Lybrand and has an MBA. He worked for twelve years in increasingly responsible financial positions with resort operations in New Hampshire and Vermont, and then for six years he was Chief Financial Officer for a vast growing division of a public company doing resort development and facilities management nationwide. More recently, Mr. Vergura was Chief Financial Officer for an international organization doing environmentally friendly resort development in emerging countries.

Brian L.P. Fallon Director

Brian Fallon has been a board member of The Community Builders, Inc. since February 2006. He is currently a Partner at O'Connor Capital Partners (OCP), a North American private equity fund focused on real estate acquisitions and development joint ventures. O'Connor North American Properties I and II is active throughout the continental U.S. and Mexico. Mr. Fallon heads development for the firm and is a member of the Executive Committee and Investment Committee of OCP. He was previously Managing Director and Principal of Extell Development Company's New England office. From 1982 to 2002 he was Senior Vice President, Director and stockholder of Meredith and Grew, Incorporated, Boston. Mr. Fallon founded and oversaw the Development Services and Advisory Services practice group. He has a BA in Political Science from Siena College and a Masters Degree in Public Administration from the Maxwell School at Syracuse University.

#### Contact:

Edward H. Marchant rejoined the Board of Directors for The Community Builders, Inc. (TCB) in October 2010 and was elected Tresurer in February 2013. He has been actively involved with the development, financing, construction, and management of real estate over the past 26 years. In addition to his experience as a real estate developer and consultant, Mr. Marchant has been an active real estate educator over the past 17 years. As a Project Manager and then as Director of Development at Greater Boston Community Development, Inc., now known as TCB, Mr. Marchant worked from 1971-1980 with a wide range of community-based housing sponsors in the successful development of numerous affordable housing projects. Mr. Marchant previously served on TCB's Board of Directors from 1985 to 1997. As a Vice President at John M. Corcoran & Co. (Corcoran), a private Boston real estate development and management company, Mr. Marchant was responsible for initiating residential and commercial real estate projects and serving as a development project manager on those projects that he initiated.

In 1990, Mr. Marchant began working as an independent real estate advisor. Since 1980, Mr. Marchant has been an Adjunct Lecturer in Public Policy at the Kennedy School of Government, Harvard University, where he teaches courses on real estate development and finance and on the development, financing, and management of affordable housing. Mr. Marchant also teaches a real estate finance and investment course at the Harvard University Extension School where he received the JoAnn Fussa Distinguished Teaching Award in 1997. Mr. Marchant was a Visiting Lecturer in the spring 1993 and 1994 semesters in the Department of Urban Studies and Planning at the Massachusetts Institute of Technology (MIT) where he taught a housing finance and development course.

A graduate of Cornell University (A.B. Government 1968) and Harvard Business School (M.B.A. 1970), Mr. Marchant is a member of the Urban Land Institute and former Chairman of the ULI Boston District Council Steering Committee. Mr. Marchant is a member of the Cornell University Council and a former Director of the 1st American Bancorp, Inc.

#### Contact:

Paul Roldan has been a board member of The Community Builders, Inc. since February 2006. As Chief Executive Officer of Hispanic Housing Development Corporation, Mr. Roldan has developed over 2,800 affordable apartments and townhomes in 30 various developments for families and elderly residents of several Hispanic communities in Chicago. In addition, he has initiated the development of over 80,000 square feet of retail and office space in five Chicagobased developments. He has also directed the formation of a property management arm, which currently manages over 4,400 residential units in various communities throughout Chicago and Illinois. Mr. Roldan also established, and now directs Tropic Construction Corp., a residential and commercial builder. Previous to his experience with Hispanic Housing, Mr. Roldan also developed low-income housing in Brooklyn, New York.

In 1988, Mr. Roldan was awarded a John D. and Catherine T. MacArthur Foundation Fellowship for his work in Community Development. He committed \$100,000 of his Fellowship award for the establishment of the Teresa & Hipolito Roldan Community Development Scholarship Fund in order to attract Latinos into the community development field. He was awarded a Bronze Star with "V" Device for combat duty in Vietnam, and holds a Bachelor's degree in Social Studies from St. Francis College, and a Master's degree in Urban Studies from Long Island University in New York.

Mr. Roldan also serves on various boards and committees including the Chicago board of the Local Initiatives Support Corporation, National Puerto Rican Coalition, Division Street Business Development Association, Chicago United, Latinos United, MB Financial, N.A., Housing Partnership Network, and The Institute of Puerto Rican Arts and Culture. He is an "Inner-City Advisor" and National Trustee of the Urban Land Institute.

Mr. Roldan was a participant in President Clinton's Economic Conferences held in Little Rock in 1992, and Columbus, Ohio in 1995. In 2006, Mr. Roldan co-authored Casa y Comunidad, a Latino Home and Neighborhood Design book.

#### Contact:

Jonathan M. Keyes Clerk and Director

Jonathan M. Keyes is a director and Clerk of The Community Builders, Inc. He is a graduate of Harvard College and has served on the Board of Directors for The Community Builders, Inc., since 1975. He joined The Boston Financial Group in 1970 and served as co-CEO, CEO, and Chairman of the Board of Directors of Boston Financial Group. In 1992 he retired and sold all ownership back to the company. Mr. Keyes' prior experience includes eight years of commercial banking experience with State Street Bank and Trust Company of Boston, and one year of employment with a company engaged in the oil and gas drilling syndication business. He also serves as a director or trustee of several non-profit institutions in the Boston area.

#### Contact:

Mary Jo Bane Director

Mary Jo Bane has been a board member of The Community Builders, Inc. since August 2011. She is the Thornton Bradshaw Professor of Public Policy and Management at the Harvard Kennedy School, where she has been on the faculty since 1981. From 1993 to 1996 she was Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services. From 1992 to 1993 she was Commissioner of the New York State Department of Social Services, where she previously served as Executive Deputy Commissioner from 1984 to 1986. From 1987 to 1992, at the Kennedy School, she was Malcolm Wiener Professor of Social Policy and Director of the Malcolm Wiener Center for Social Policy. From 2006 to 2011 she was Academic Dean at HKS. She is the author of a number of books and articles on poverty, welfare, families, and the role of churches in civic life. She is currently doing research on poverty in the United States and international context.

#### Contact:

Phillip L. Clay Chair and Director

Dr. Phillip L. Clay has served on the Board of Directors for The Community Builders, Inc. (TCB) since March 1982 and is currently Chair. Dr. Clay is the former Chancellor of, and Professor of City Planning at, the Massachusetts Institute of Technology. He has served as Head of the Department of Urban Studies and Planning and as Director of the Masters in City Planning Program at MIT. Dr. Clay has also served as Assistant Director of the Joint Center for Urban Studies of MIT and Harvard, and as a member of the Policy and Research Advisory Councils of the Fannie Mae. He was appointed Chancellor of MIT on July 1, 2001.

Dr. Clay's accomplishments include his work in U.S. housing policy and community-based development, including two books: "Neighborhood Renewal: Middleclass Resettlement and Incumbent Upgrading in American Neighborhoods" and, with Rob Hollister, "Neighborhood Politics and Planning." Dr. Clay's current research evaluates the effectiveness of various initiatives to build organizational and developmental capacity in community-based development organizations. Dr. Clay received the AB degree with Honors from the University of North Carolina at Chapel Hill in 1968 and his Ph.D. in City Planning in 1975 from MIT.

#### Contact:

Sara Jean Lindholm serves on the Board of Directors for The Community Builders, Inc., and most recently served as director of acquisitions and special projects for the Midwest Region starting in 2010. She joined TCB in 2004 as director of development for the Midwest, holding over-all responsibility for the development of TCB's portfolio of real estate projects throughout the region; supervising seven locally based development project managers. She has 35 years of affordable housing development experience across diverse markets, having developed Arkansas, New Jersey, Ohio, Indiana, Kentucky and in rural, suburban and urban areas throughout Illinois.

Lindholm began her development career with Shorebank Corporation in Chicago, managing the growth of its real estate development subsidiary, City Lands, from a fledging operation to a routinely profitable development entity. Under her direction, City Lands produced more than \$100 million of affordable rental and homeownership housing, as well as commercial/retail development. As an independent consultant, she has worked with mixed income, mixed-finance HOPE VI developments since 1996, arranging financing, providing project management, and developing \$52 million of multi-phased projects in Little Rock, Ark., and Elizabeth, N.J. Lindholm has extensive experience in the development of affordable assisted living facilities through her work with NCB Development Corporation, an affiliate of the National Cooperative Bank in Washington, D.C.

Lindholm received her B.A. from Oberlin College in Oberlin, Ohio. She has served on numerous appointed boards and commissions, including the Resolution Trust Corporation and FDIC's Affordable Housing Advisory Board, the National Board of Preservation Action, the State of Illinois Governor's Advisory Task Force and the President's Advisory Council of Oberlin College. She also served for three years as a board appointee to the Investment Review Committee of the National Equity Fund, Inc., the nation's largest not-for-profit syndicator of Low Income Housing Tax Credits.

#### Contact:





# Mixed-Income Housing Experience 2003-2013

Project Name	Population	
Location	Development Type	Development Cost
Sponsor	Construction Type	Funding Sources
Year Completed	Total Units	Funding Sources
Oakwood Shores Terrace Apartments &	Family	\$14,985,000
Mercy Medical Center	Rental	Equity Syndication; FHLB; HOPE VI and
Chicago, IL	New Construction	Other Public Housing Capital; DCEO
The Community Builders, Inc.	48 Units	
2013		
225 Centre	Family	\$42,134,000
Boston, MA	Rental	Equity Syndication; Private Debt; State and
The Community Builders, Inc. / Mitchell	New Construction	Local
Properties	103 Units	
2013		
The New Charlesview	Family	\$151,352,623
Boston, MA	Rental	Equity Syndication; Tax Exempt Bonds,
The Community Builders, Inc.	New Construction	State
2013	240 Units	
<b>Cheriton Heights</b>	Senior	\$20,637,950
Boston, MA	Rental	Equity Syndication; Private Debt; City,
TCB/ABBA	New Construction	State, HUD
2013	70 units	
Province Landing	Family	\$14,555,252
Provincetown, MA	Rental	Equity Syndication, Debt, DHCD, County,
The Community Builders, Inc	New Construction	AHTF, CBH
2012	50 units	
East Liberty North Residential	Family	\$10,493,051
Pittsburgh, PA	Housing Preservation;	Equity Syndication; FHLB; HUD/Federal
The Community Builders, Inc.	Rental	Funding; State/Local Funding
2010	New Construction	6,
	54 units	
Franklin School Apartments (2008	Family	\$4,699,336
Refinance)	Housing Preservation;	HUD/Federal Funding; Private Debt;
Lexington, MA	Rental	State/Local Funding
The Community Builders, Inc.	Adaptive Re-Use	State, 200ai Failaing
2010	38 units	
, <del></del>		

Project Name	Population	David amount Cost
Location Sponsor	Development Type Construction Type	Development Cost Funding Sources
Year Completed	Total Units	2 322322
Heritage Common (2010 Restructure)	Family	\$24,787,556
Lawrence, MA	Housing Preservation;	Equity Syndication; HOME; Private Debt;
The Community Builders, Inc. 2010	Rental Occupied Rehab	State/Local Funding
2010	140 units	
Lincoln Woods Acquisition	Family	\$15,500,776
Lincoln, MA	Acquisitions; Preservation	TBD
2010	Occupied Rehab	
Oakwood Shores Phase 2B(One)	125 units Family	\$22,683,648
Chicago, IL	Rental	Equity Syndication; FHLB; HOPE VI and
The Community Builders, Inc.	New Construction	Other Public Housing Capital; Private Debt
2010	75 units	
Clarksdale Phase 3	Family	\$22,747,764
Louisville, KY	Rental New Construction	Equity Syndication; HOPE VI and Other
TCB & Louisville Metro Housing Agency 2009	New Construction 146 units	Public Housing Capital; HUD/Federal Funding; State/Local Funding
2007	1 to units	Tunding, State/ Local Tunding
Clarksdale Phase 4	Family	\$11,200,000
Louisville, KY	Rental	Equity Syndication; HOPE VI and Other
TCB & Louisville Metro Housing Agency 2009	New Construction 73 units	Public Housing Capital; HUD/Federal
2009	75 umts	Funding; State/Local Funding
Mashpee Village (2009 Recapitalization)	Family	\$6,497,862
Mashpee, MA	Housing Preservation;	Equity Syndication; State/Local Funding
The Community Builders, Inc.	Rental	
2009	Rehab 145 units	
Oakwood Shores Phase 2A	Family	\$56,778,541
Chicago, IL	Rental	Equity Syndication; FHLB; HOME; Private
The Community Builders, Inc.	New Construction	Debt; State/Local Funding
2009	199 units	010 (1111)
Village at Hospital Hill Phase II Northampton, MA	Family Rental	\$10,611,167 CDBG; Equity Syndication; HOME; Private
The Community Builders, Inc.	New Construction; Rehab	Debt; State/Local Funding
2009	40 units	200, Sattle Zotal Landing
Cascade Village South	Family	\$11,208,378
Akron, OH	Rental	CDBG; Equity Syndication; HOME; HOPE
TCB & Akron Metropolitan Housing	New Construction	VI and Other Public Housing Capital; Private
Authority 2008	80 units	Debt
Holman Homes	Family	\$13,082,234
Durham, NC	Rental	Equity Syndication; HOME; HOPE VI and
TCB & Durham Housing Authority	New Construction	Other Public Housing Capital; Private Debt
2008 Laurel Homes Phase V	83 units Family	\$12,328,626
Cincinnati, OH	Rental	Equity Syndication; HOPE VI and Other
TCB & Cincinnatti Metro Housing Authority	New Construction	Public Housing Capital; State/Local Funding
2007	106 units	1
Morgan Woods	Family	\$15,660,001
Edgartown, MA The Community Builders, Inc.	Rental New Construction	Equity Syndication; HOME; State/Local Funding
The Community Builders, Inc. 2007	60 units	Tunding
2007	oo umts	

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
New Parkwoods II-B Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2007	Family Acquisitions; Housing Preservation; Rental New Construction 64 units	\$9,190,465 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; Private Debt
New Parkwoods III Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2007	Family Acquisitions; Housing Preservation; Rental New Construction 76 units	\$10,876,248 Equity Syndication; HOME; HUD/Federal Funding; Private Debt
Cascade Village North Akron, OH TCB & Akron Metropolitan Housing Authority 2006	Family Rental New Construction 97 units	\$12,831,562 CDBG; Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; Private Debt
Hilltop Apartments Northampton, MA The Community Builders, Inc. 2006	Family Rental New Construction; Rehab 33 units	\$8,222,917 Equity Syndication; FHLB; HOME; Home Sales; State/Local Funding
New Parkwoods II-A Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2006	Family Acquisitions; Housing Preservation; Rental New Construction 60 units	\$8,600,079 Equity Syndication; HOME; HUD/Federal Funding; Private Debt
Oakwood Shores Phase 1B Chicago, IL TCB & Granite Development 2006	Family Rental New Construction 162 units	\$39,363,607 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; Private Debt
Penn Manor Pittsburgh, PA The Community Builders, Inc. 2006	Family Housing Preservation; Rental New Construction 55 units	\$7,835,754 Equity Syndication; FHLB; HOME; State/Local Funding
Grandview Rental Wheeling, WV The Community Builders, Inc. 2005	Family Rental New Construction 47 units	\$7,927,224 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital; HUD/Federal Funding
Laurel Homes Phase IV Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2005	Family Rental New Construction 59 units	\$6,619,782 Equity Syndication; HOPE VI and Other Public Housing Capital; State/Local Funding
Oakwood Shores Phase 1A Chicago, IL TCB & Granite Development 2005	Family Rental New Construction 163 units	\$36,080,771 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; Private Debt; State/Local Funding
Sherman Forest East Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2005	Family Acquisitions; Housing Preservation; Rental New Construction 54 units	\$6,512,618 Equity Syndication; HOME; Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Broad Creek Marshall Manor II	Family	\$8,181,795
Norfolk, VA	Rental	Equity Syndication; FHLB; HOPE VI and
Norfolk Redevelopment and Housing	New Construction	Other Public Housing Capital
Authority	66 units	8 11
2004		
Laurel Homes Phase II	Family	\$5,706,557
Cincinnati, OH	Rental	Equity Syndication; HOPE VI and Other
TCB & Cincinnatti Metro Housing Authority	New Construction	Public Housing Capital; Private Debt
2004	56 units	
Laurel Homes Phase 1	Family	\$14,153,752
Cincinnati, OH	Rental	Equity Syndication; HOME; HOPE VI and
TCB & Cincinnatti Metro Housing Authority	New Construction	Other Public Housing Capital
2003	148 units	
Lincoln Court Phase IV	Family	\$9,064,271
Cincinnati, OH	Rental	Equity Syndication; FHLB; HOME; HOPE
TCB & CMHA	New Construction	VI and Other Public Housing Capital;
2003	91 units	State/Local Funding
Meyers Ridge Phase II	Family	\$7,895,045
McKees Rocks, PA	Rental	Equity Syndication; FHLB; HOME; HOPE
TCB & Allegheny County Hsg. Authority	New Construction	VI and Other Public Housing Capital
2003	63 units	
The Villages at Park DuValle Phase IV	Family	\$23,875,369
Louisville, KY	Rental	Equity Syndication; HOPE VI and Other
TCB & Louisville Metro Housing Authority	New Construction	Public Housing Capital; Private Debt
2003	192 units	



#### 225 Centre Street - Boston, MA



#### **Regional Hubs**

#### **BOSTON**

95 Berkeley Street Suite 500 Boston, MA 02116 P: 617-695-9595

#### **WASHINGTON, DC**

1602 L Street, NW Suite 401 Washington, DC 20036 P: 202-552-2500

#### **CHICAGO**

135 South LaSalle Street Suite 3350 Chicago, IL 60603 P: 312-577-5555

# 225 CENTRE STREET

Forty years ago, an ill-fated highway expansion project bulldozed homes and businesses in Jamaica Plain's Jackson Square, disrupting what had been a closely knit neighborhood and leaving much of it as vacant or underutilized land. In 1995, a consortium of community groups, including the Jamaica Plain Neighborhood Development Corporation, Urban Edge and the Hyde Square Task Force, began planning the comprehensive redevelopment of Jackson Square. Working closely with city and state officials and a private developer, Mitchell Properties, the team created a master plan that includes over 400 units of housing, 60,000 square feet of retail space, 13,000 square feet of office space and 50,000 square feet of community facilities. 225 Centre Street is the first phase of this new \$250 million redevelopment effort.

A joint venture between The Community Builders, Inc. and Mitchell Properties, 225 Centre Street has received tremendous support from city, state and local officials and community stakeholders. The project will use \$2.3 million in state issued low-income housing tax credits, \$2 million in Department of Housing & Community Development (DHCD) program subsidies and another \$503,988 in federal low-income housing tax credits.

The new mixed-use/mixed-income building will feature 103 rental units, including 35 affordable units, over 16,000 square feet of commercial/retail space, an underground parking structure and dramatic landscape improvements. Ten of the affordable rental units will be reserved for extremely low-income families. Overall project costs are estimated at approximately \$50 million and construction is expected to start in April 2011.

225 Centre Street is a transit-oriented development and located immediately adjacent to the Jackson Square MBTA station. The site is less than 2.5 miles from downtown Boston,  $\frac{1}{2}$  mile from Northeastern University and the Longwood medical area. Roxbury Community College is located just two blocks from the site.

## 225 Centre Street at a Glance

- The first phase of an ambitious 14-building, \$250 million redevelopment effort in the Jackson Square community of Boston's Jamaica Plain neighborhood.
- TCB Role: Co-Developer with Mitchell Properties
- Total Development Cost: \$52 million



#### Charlesview Residences - Allston, MA



"This is a wonderful development for the residents of Charlesview, the Allston Brighton neighborhood, and the City of Boston. It will provide beautiful new homes for families, revitalize and enliven a section of our City and add much-needed jobs."

Boston Mayor Thomas M. Menino

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## **CHARLESVIEW RESIDENCES**

The Community Builders, Inc. (TCB), on behalf of its development partner, Charlesview, Inc, has negotiated a land swap along with financial resources to effectuate the relocation and reconstruction of Charlesview Apartments. Charlesview Apartments, located in Allston, Massachusetts, is a 213 unit low- and moderate-income housing development created through Urban Renewal in 1970, supported by a 200-unit Section 8 Project Based Assistance Contract. The property is physically obsolete and in need of redevelopment. Charlesview Apartments is owned by Charlesview, Inc., an interdenominational faith-based, 501(c)(3) nonprofit organization having Charlesview Apartments as a single asset.





The relocation portion of the replacement strategy includes increasing the existing housing program to 240 family rental units, including a range of unit types from one-bedroom flats to four-bedroom townhouses, accommodating a variety of family types and sizes. The redevelopment site is less than a half mile from its current location, on an eight-acre portion of the site of the Brighton Mills Shopping Center.

The design incorporates the traditional neighborhood street grid and building types to seamlessly blend into the surrounding community. The overall redevelopment program includes significant infrastructure and open space. The program includes approximately 25,000 gsf of space for commercial and community uses, new streets and parks, and underground parking for 243 cars. One-hundred units of homeownership housing will be built on adjacent parcels as part of the future mixed-tenure community.

The financial packaging includes Tax Exempt Bond/4% LIHTC financing that will generate \$27 million in LIHTC equity, a replacement cost contribution from Harvard University, approximately \$45 million in debt leveraged from the portion of the Section 8 Contract to the new site and \$2 million in soft gap financing from the State.

## Charlesview Residences at a Glance

- The relocation and reconstruction of Charlesview Apartments, a 213 unit low- and moderate-income housing development, into a new 340-unit mixed-income, mixed-use community.
- TCB Role: Co-Developer
- Financial Participants: MassHousing, US Department of HUD, AEGON USA Realty Advisors, Harvard

University, Life Initiative, Massachusetts DHCD, CEDAC

• Total Development Cost: \$143 million



#### Province Landing - Provincetown, MA



Images courtesy of Durkee Brown Viveiros Werenfels

#### **Regional Hubs**

#### **BOSTON**

95 Berkeley Street Suite 500 Boston, MA 02116 P: 617-695-9595

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# PROVINCE LANDING

Province Landing is the result of years of effort, resources, and sacrifice by the Town of Provincetown to make it a more affordable community for those who call it home. A strong resort destination in Massachusetts, Provincetown faces a serious lack of safe, attractive, year-round affordable housing. Province Landing addresses this demand for affordable housing and will be a catalyst for a broader improvement plan for the site's immediate area, transforming an eyesore into a strong community asset.

In 2009, The Community Builders, Inc. (TCB) was selected by the Town of Provincetown to undertake the development of the 50-unit mixed-income development at 90 Shank Painter Road, a vacant 2.57 acre site currently owned by the Town of Provincetown. The new development consists of six newly constructed, Cape Cod style buildings connected by private walkways and driveway on a vacant  $2\frac{1}{2}$  acre site. Our development project consists of 25 one-bedroom, 21 two-bedroom, and 4 three-bedroom units. The development also includes approximately 2,500 square feet of community space.

The proposed income mix creates housing that will be accessible to a broad range of incomes. Of the 50 units in the proposal, we have designated five units for residents earning under 30% of area median income (AMI), 36 units for those between 31% and 60% of AMI, and nine units for those between 61% and 80% of AMI.

This project addresses a growing need for housing that is accessible to both financially challenged and physically disabled households. The growing need for housing those with long-term illnesses (such as war veterans, cancer, AIDS) is of particular concern in Provincetown. Province Landing sets aside three units for this population.

The design approach for Province Landing uses "cluster development" principles. The compact site contains a high density of units per acre and takes advantage of existing community resources, including full utility infrastructure along Shank Painter Road, access to adjacent commercial uses and direct access to Route 6. The relatively small parcel also offers an opportunity to create a very efficient master plan in which on-site elements such as parking, trash handling, common spaces, sheltered bike racks, and pedestrian walkways are sensibly placed and well-organized. Given its immediate adjacency to Provincetown center, this design approach compliments the densely populated street grid at the town center while maintaining the unique open and recreational spaces that surround the town center.

## Province Landing at a Glance

- 50 new units of critical affordable housing immediately adjacent to Provincetown center that are benefiting from \$11.7 million in funding from TCB's Neighborhood Stabilization Program 2 (NSP2) grant.
- TCB Role: Developer, Management Agent
- Financial Participants: Massachusetts Department of Housing & Community Development (DHCD),

Massachusetts Affordable Housing Trust funds, Massachusetts Community Based Housing funds, Cape Cod Commission/Barnstable County HOME, MassHousing

Partnership, Federal low-income housing tax credits

• NSP2 Funds Committed: \$11.7 million

• Total Development Cost: \$15 million



#### East Liberty Place North - Pittsburgh, PA



Photograph courtesy of STRADA

"Who would ever have thought that a group of low-income residents would give this much input and be heard. Promises were made, and promises are being kept."

Alethea Sims, President, Coalition of Organized Residents (COR)

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# EAST LIBERTY PLACE NORTH

East Liberty Place North, located on the 5800 block of Penn Avenue in Pittsburgh, is the redevelopment of the north parcel of the former East Mall Apartments site on Penn Avenue in the East Liberty neighborhood, a neighborhood that is coming back to life after thirty years of decline and stagnation. This new, 54-unit mixed-income, mixed use, elevator building features three floors of environmentally-friendly apartments above an 11,000 s.f. ground-floor commercial space, management offices, and community activity areas. The residential and commercial components are structured as separate condominiums.

The community features attractive, spacious, and well-appointed apartments that meet or exceed local market-rate offerings. Building systems integrate green technologies such as ENERGY STAR rated appliances and lighting fixtures, high-efficiency heat-pumps, and a focus on air quality in the decisions on materials and finishes and ventilating where possible. The building achieved LEED Gold certification and is the region's first LEED for HOMES multifamily certified project and TCB's first LEED certified project.

The Community Builders, Inc. (TCB) is the property's management agent and was the designated developer by the Urban Redevelopment Authority of Pittsburgh (URA). TCB will also develop the site across Penn Avenue to the south. The property is near TCB's other transformative neighborhood properties: New Pennley Place, Pennley Commons, and Penn Manor. The design for East Liberty Place North emerged from a charrette process and was informed by advice from former residents, community organizations, City leaders, and other stakeholders. The building is in scale with East Liberty and the Penn Avenue streetscape and was designed to support additional redevelopment around it. The U-shaped, approximately 75,000 square foot building has contemporary craftsman styling with a masonry and metal-accented facade. East Liberty Place North is the western gateway to East Liberty's downtown district and provides a strong residential anchor and new street level commercial/retail opportunities.

East Liberty Place North continues the significant local commitment to replace three blighted, HUD-subsidized properties (the "Federal American" properties) with new mixed-income developments. It provides 54 new one- and two-bedroom apartments with 38 units reserved for low-income households, 11 units reserved for households with incomes between 60% and 80% AMI, and five market-rate units with no income restrictions. Former Federal American tenants have admissions priority.

## East Liberty Place North at a Glance

- 54 new environmentally-friendly family rental homes above 11,000 s.f. of ground-floor commercial space.
- TCB Role: Developer, Owner, and Management Agent
- Financial Participants: PA Housing Finance Agency, Urban Redevelopment Authority of Pittsburgh (with

funding via US Department of HUD), Dollar Bank, The Federal Home Loan Bank — Pittsburgh via Citizens Bank, The Pittsburgh and The Home Depot

Foundations, and equity from AEGON USA Realty Advisors

• Total Development Cost: \$12 million Residential Condo: \$10 million

Commercial Condo: \$2 million



Village Hill - Northampton, MA



Village Hill Northampton Phase II

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# VILLAGE HILI

Village Hill Northampton is a joint public-private redevelopment project that is the result of over 25 years of effort by the Commonwealth of Massachusetts, the City of Northampton, elected officials, advocates, and concerned citizens. Situated on a prominent hilltop west of downtown Northampton, the redevelopment provides a forward-looking, economically viable reuse for the former Northampton State Hospital.





Village Hill Northampton Phase I (Hilltop Apartments)

Village Hill Northampton Phase II

Since 2002, The Community Builders, Inc. (TCB) has worked in conjunction with MassDevelopment to create a mixed-use community that consists of affordable and market-rate housing, commercial space, a child care center, a possible community center/museum area, and the development of a 60-80 unit assisted living facility for seniors. The Master Plan includes 207 residential units, split between for-sale and mixed-income rental housing. Overall, fifty percent of these residential units will be designated as affordable.

Hilltop Apartments, the redevelopment's first rental phase, was completed in 2006 and holds 33 units in two historically significant buildings. These units house individuals and families with a wide range of incomes. The second rental phase was completed in 2009 and includes 40 units. Thirty-two of these units are restricted to low-income residents and the remaining eight market units are available without income restrictions. The project is designed to be Energy Star compliant with solar photo-voltaic panels, storm water recharging, environmentally-friendly building materials, and wireless internet access.

The redevelopment of Northampton State Hospital represents an enormous opportunity. The property is surrounded by scenic walking trails along the Mill River, with access to a bicycle trail, community gardens, and the Smith College campus. Northampton's close proximity to New England's economic centers makes the project a potential catalyst for economic development. Further, it will create a vibrant and attractive mixed-use community with jobs, housing, and modest amounts of convenience retail, all less than a mile from the educational, cultural, and civic resources of downtown Northampton.

# Village Hill Northampton at a Glance

- An innovative effort to convert state surplus land into a vibrant mixed-income, mixed-use community.
- TCB Role: Sponsor, Developer, Management Agent, Syndicator
- **Sponsor**: The Community Builders, Inc.
- Financial Participants: PeoplesBank, Federal Home Loan Bank of Boston, MA Department of Housing and

Community Development (DHCD), the City of Northampton, MassHousing, Community Economic Development Assistance Corporation (CEDAC), MA

Department of Mental Health, and Related Capital

Total Development Cost: \$19 million



#### New Pennley - Pittsburgh, PA



"We appreciated the attitude toward urban fabric making here the priorities are clearly toward community building."

Alex Krieger, Professor, Harvard University School of Design and juror for American Institute of Architects' Design Awards

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# NEW PENNLEY

This \$23 million multi-phase redevelopment marks the first major housing investment in Pittsburgh's troubled East Liberty neighborhood in more than a generation. New Pennley Place replaced a severely distressed, HUD-insured residential "superblock" created as part of sweeping urban renewal that reshaped East Liberty in the 1960s. Over the years, the former apartment complex became widely perceived as being dense, deteriorated, unsafe, and undesirable. Substantial mortgage delinquencies, deferred maintenance, and high vacancy rates led HUD to foreclose on the complex in 1997.



The HUD foreclosure prompted a call for a community-minded owner to assume the property. The Community Builders, Inc. (TCB) stepped in to reverse the decline and set a new standard for mixed-income residential development in the neighborhood. With the support of local civic groups and the City of Pittsburgh's Urban Redevelopment Authority, TCB acquired the property in partnership with East Liberty Development Inc., the neighborhood community development corporation. The transfer was accompanied by a \$4 million HUD upfront grant with the condition that the property remain affordable to low-income renters. TCB took over management upon transfer and immediately initiated improvements while operating the complex through a nearly four year redevelopment process that included selected demolition, substantial renovation, and new construction.

The first phase of New Pennley Place opened in late 1999 and consists of 102 new and renovated apartment units in mid-rise building, townhomes, and duplex style residences. The next two phases followed in 2001 and 2002 with additional townhomes and duplexes, as well as a 38 unit low-rise apartment building for low income seniors. In total, New Pennley Place has created 174 new or substantially renovated rental housing units, with 146 reserved for low and moderate- income households. Services available to residents of the property include access to welfare to work assistance, family crisis intervention, technology training, and other support to establish and maintain self-sufficiency. New Pennley Place has won several awards, including a 2001 Tax Credit Excellence Award from the Affordable Housing Tax Credit Coalition and a 2001 Pillars of the Industry Award from the National Association of Home Builders.

## New Pennley at a Glance

- 174 new or substantially renovated family and senior rental homes with 146 reserved for low and moderate-income households.
- TCB Role: Owner, Developer, Management Agent
- Sponsor: TCB and East Liberty Development Inc. (ELDI)
- Financial Participants: HUD, Pittsburgh Housing Authority, equity
- Total Development Cost: \$23 million



#### Penn Manor – Pittsburgh, PA



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# PENN MANOR

Penn Manor Apartments is the first completed housing built to replace the former East Mall Apartments, a blighted property whose 2005 demolition was highly publicized as an indication of positive change happening in Pittsburgh's dynamic East Liberty neighborhood. Penn Manor features 55 attractive one and two bedroom apartments, with fully equipped kitchens, wall-to-wall carpeting, and energy-efficient heating and cooling systems, plus on-premises laundry, storage spaces, and community room.





With units leased at both income-based and market-rate rents, Penn Manor creates an economically diverse new address and complements the adjacent 174-unit New Pennley Place development which is the cornerstone of quality new mixed-income rental housing in East Liberty.

The Urban Redevelopment Authority of Pittsburgh, Coalition of Organized Residents of East Liberty, East Liberty Development Inc., private developers including The Community Builders, and other stakeholders have been working together with the US Department of Housing & Urban Development for more than 10 years on a replacement housing strategy for the obsolete East Mall, Penn Circle, and Liberty Park apartments (known collectively as the Federal American properties). Although Penn Manor is not officially on the former site of these properties, given its close proximity to East Mall, the Penn Manor development team arranged to give former Federal American residents a priority for moving to the new building. Twenty-three (23) former residents chose to make the move. Demonstrating the demand for new quality housing in East Liberty, the other 32 units at Penn Manor went from construction completion to fully leased status within 60 days.

### Penn Manor at a Glance

- 55 new construction apartments in a three-story masonry, elevator building.
- **TCB Role**: Developer, Managing General Partner, Financing/Equity Syndication, Management Agent, Resident Services Provider
- **Sponsor**: The Community Builders, Inc.
- Financial Participants: Urban Redevelopment Authority of Pittsburgh, Pennsylvania Housing Finance Agency

(Penn HOMES program), PNC Multi Family Capital, Federal Home Loan Bank of

Pittsburgh

• Total Development Cost: \$8 million



#### Dutch Point - Hartford, CT



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# DUTCH POINT

In 2003, The Community Builders, Inc. (TCB) was selected by the Hartford Housing Authority (HHA) as developer of this 185-unit HOPE VI revitalization project located just minutes from Hartford's central business district. Constructed in 1940, Dutch Point is the largest federal housing development in Hartford and suffered from an overly-dense, outdated design. The development is at the heart of the Sheldon/Charter Oak neighborhood and abuts two of Hartford's great historic and parkland treasures: The Church of Good Shepherd and Colt Park.





Photographs by Robert Benson Photography

The new Dutch Point is being constructed in two rental phases and one homeownership phase. Upon completion of all three phases, the development will consist of 58 for-sale homes and 127 rental units. Rental Phase I was completed in December 2006 and consists of 73 apartments in nine newly built and six renovated buildings. The second rental phase, which was completed in July 2008, includes the construction and renovation of 54 apartments, a 2,600 square foot community center, and a small park. The homeownership phase broke ground in July 2008 and will consist of the new construction of 58 townhouses and condominiums, of which 27 will be subsidized for sale to low- and moderate-income buyers and 31 will be sold at market-rate. Community and supportive services will be provided by TCB's on-site staff in partnership with a team of Hartford-based service providers.

The \$73 million Dutch Point redevelopment effort is a collaborative one, featuring the work of TCB, HHA, and a neighborhood-based organization, the Coalition to Strengthen the Sheldon/Charter Oak Neighborhood (CSS/CON). The redevelopment plan is on schedule to replace Hartford's largest public housing project with a state of the art mixed-income community, and to fulfill its promise of returning former residents to the new Dutch Point housing. The project's success is particularly gratifying because over 40% of the workforce on Phase I were Hartford residents, while minorities and women made up over 60% of the workforce. There have also been substantial contracts awarded to Hartord-based businesses, minority-owned businesses, and women-owned businesses.

### Dutch Point at a Glance

- 127 units of rental housing and 58 for-sale homes with a new community center, on-site property management, and a community and supportive services program.
- TCB Role: Co-Sponsor, Developer, and Management Agent with Hartford Housing Authority
- Financial Participants: US Department of HUD, Connecticut Housing Finance Authority, CT Department of

Economic and Community Development, City of Hartford, Capital City Economic Development Authority, Centerline Capital, Bank of America, Red Capital Group,

Connecticut Light and Power Company

• Total Development Cost: \$73 million



#### Pennley Commons - Pittsburgh, PA



# PENNLEY COMMONS

A nearly \$24 million multi-phase redevelopment effort in Pittsburgh's East Liberty neighborhood has transformed a long-distressed property into quality, mixed income rental housing. New Pennley Place marks the first major housing investment in East Liberty in more than a generation and sets a new standard for residential development throughout the neighborhood.





The New Pennley Place community consists of 174 new or renovated apartments and townhomes on a 7.6 acre urban site. The redevelopment was spearheaded by The Community Builders, in cooperation with East Liberty Development, Inc., a neighborhood organization.

A new construction, 38-unit low-rise apartment building for very low-income seniors completes the redevelopment of New Pennley Place. Completed in 2002, Pennley Commons apartments are designed to accommodate and be adaptable to the special and changing needs of elderly households. The building offers multiple spaces for residents to congregate including a sitting room, community kitchen, dining room, and welcoming front porch. Further, Pennley Commons' location makes it well-suited for independent senior housing. Transportation, shopping, health care, and religious, civic, and social activities are all nearby.

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# Pennley Commons at a Glance

- 38 new senior residences in a three-story elevator building enable very low income seniors to live within a vibrant, newly redeveloped multi-family community.
- TCB Role: Sponsor, Developer, Management Agent
- Sponsor: Pennley Supportive Housing for the Elderly Inc.
- Financial Participants: US Department of Housing and Urban Development (HUD) §202, Urban

Redevelopment Authority of Pittsburgh, Pennsylvania Housing Finance Agency,

Federal Home Loan Bank of Pittsburgh/National City Bank

• Type of Construction: New Construction

• Type of Housing: Senior Rental

• Total Development Cost: \$3.6 million



#### Oakwood Shores - Chicago, IL



"The Community Builders really get it. They live up to their name.
They're committed not just to building great housing but to building a community."

Shirley Newsome, Chairman, Kenwood Oakland Conservation Community Council

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# **OAKWOOD SHORES**

In 2000, The Madden/Wells/Darrow public housing revitalization effort was awarded a \$35 million HOPE VI grant to fund the new, mixed-income development of Oakwood Shores. The 93-acre site is located in the North Kenwood/Oakland neighborhood on Chicago's South Lakefront, which, during the mid- and late-20th century, was the location of more than 3,000 units of public housing. The neighborhood's proximity to downtown Chicago and exceptional access to Lake Michigan presented a unique opportunity to knit the neighborhood back into the surrounding diverse and vibrant community.









The planning process for Madden/Wells epitomized the City's commitment to moving from high-density housing back to traditional low-rise Chicago neighborhood living. The development's urban footprint is based on the tried-and-true Chicago street and alley grid system, and incorporates traditional South Side architectural detailing with the construction of landscaped boulevards, public parks and pedestrian walks.

Phase I of the redevelopment consists of 525 mixed-income rental and for-sale homes. Phase II is underway with 274 units already completed. 3750 at Oakwood Shores is leasing its 75 senior rental units, and 3755 at Oakwood Shores will begin construction on its 48 mixed-income rental units and neighborhood medical center in Spring 2012. Oakwood Shores Phase 2D will begin construction of its 66 mixed-income family rental units in Fall 2012.

The Community Builders, Inc., is the master developer of the first three phases of the CHA Plan For Transformation site now known as Oakwood Shores. TCB also worked with the Chicago Public Schools and the University of Chicago to create a university-operated neighborhood elementary charter school. In addition, TCB manages the rental properties and works with Oakwood and neighborhood residents to help create a revitalized sense of community.

# Oakwood Shores at a Glance

- Over 700 mixed-income family rental homes and 300 for-sale family homes, new neighborhood elementary school and on-site resident services.
- TCB Role: Master Planner, Owner, Developer, Property Manager, Service Provider
- **Sponsor**: TCB and Granite Development
- Financial Participants: US Department of Housing and Urban Development, Illinois Housing Development

Authority, City of Chicago Department of Housing and Economic Development, Federal Home Loan Bank, State of Illinois, private debt and equity providers

• Total Development Cost to Date: \$300 million



#### Broad Creek - Norfolk, VA



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# BROAD CREEK

In the years following Word War II, new federal legislation made the creation of public housing authorities possible and Norfolk, Virginia was one of the first cities to take advantage of this opportunity. The City's worst neighborhoods were replaced with new public housing complexes, like Roberts Village and Bowling Green, and residents were eager to live in them. Over the next 50 years, though, these complexes steadily deteriorated and eventually were overrun by crime and violence.





In 2000, Norfolk obtained a \$35 million HOPE VI grant and enlisted The Community Builders, Inc. (TCB) to implement its vision of a revitalized neighborhood where the public housing communities of Roberts Village and Bowling Green stood. The new neighborhood is named "Broad Creek Renaissance", after a nearby body of water. TCB's roles include master developer of three rental phases, coordination of the demolition, infrastructure engineering and property management.

The HOPE VI plan is ambitious — over 600 units of replacement housing on the site of the two former public housing communities, including market rate rental housing, senior apartments, homeownership and commercial uses all woven into a New Urbanist Plan. The buildings are designed in regional styles — modest four-square bungalows, shingle style two-story homes and some transitional designs with traditional porches, brick and fiber cement siding. Attractive landscaping and rear loaded parking areas contribute to the New Urbanist aesthetic of the property.

The first phase of rental housing was a senior project of 100 units developed by a local Norfolk company. The second, third, and fourth phases of Broad Creek comprise TCB's work, totaling 300 units. Completed in 2006, the Broad Creek Renaissance redevelopment boasts over 280 affordable units and 19 market-rate units. Broad Creek's future phases will include various types of homeownership products, including rowhouses, condo flats, and single family detached homes.

## Broad Creek at a Glance

- 300 family and senior rental units, 300 homeownership units, commercial space, and all new infrastructure.
- TCB Role: Master Planner, Owner, Developer, Community Support and Services Provider, Management Agent
- **Sponsor**: Norfolk Redevelopment and Housing Authority (NRHA)
- Financial Participants: HUD HOPE VI, Federal Home Loan Bank (FHLB), private debt, equity
- Total Development Cost: \$40 million



#### East Downtown - Durham, NC



"This year's winners truly shined in their commitment to beautifying their properties. These property owners not only exhibited good stewardship of their properties, but they truly help to make Durham a beautiful place to live, visit and work."

Fred Pugsley, Chairman, Durham City-County Appearance Committee

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# EAST DOWNTOWN

The East Downtown Revitalization is an extremely sophisticated neighborhood revitalization effort that will transform a 96 block area in the center of Durham, NC. The targeted area was one of the City's most distressed neighborhoods. Prostitution and drug transactions were conducted in plain sight and many parts of the neighborhood were characterized by burned-out or abandoned buildings. The former Few Gardens public housing project – 240 units in barracks-style buildings located in the middle of the neighborhood – discouraged previous improvement efforts.





Photographs by Jim Sink

In 2000, The Community Builders, Inc. (TCB) was selected to develop a plan, prepare the necessary funding applications and implement the revitalization of this community, all in collaboration with the Durham Housing Authority (DHA), the City government and many local stakeholders. The US Department of Housing and Urban Development (HUD) awarded the Durham initiative a \$35 million HOPE VI grant which serves as the foundation for this \$80 million undertaking.

The goals of the project are ambitious — to demolish the 240 Few Gardens units, to develop 309 homes (226 rental and 83 homeownership) and to spark a much larger revitalization impacting the entire 96 block area. In consultation with local stakeholders, TCB developed a comprehensive 20-year vision for the neighborhood. The resulting plan incorporated residents' aspirations for their community and envisioned a sophisticated real estate strategy, moving west-to-east through the community with highly targeted investments designed to attack the worst distress and result in the greatest positive spillover effects.

TCB has employed several innovative strategies to reposition the neighborhood in both reality and perception. Design appeals to the higher income target markets, while ensuring affordability through the financial structures rather than the quality of the homes. The new construction incorporates "defensible space" principles as well as the preferences of local residents. In two areas, TCB is significantly rebuilding the public infrastructure, including a new street grid with sidewalks, street trees and utilities. TCB is also investing significant funds in parks, playgrounds and recreation areas in an effort to establish a community people live in by choice, not necessity.

### East Downtown at a Glance

- 309 homes (226 family and senior rental and 83 family homeownership) and all new infrastructure including new parks and recreation areas.
- TCB Role: Master Planner, Owner, Sponsor, Developer, Management Agent
- Sponsor: TCB and the Durham Housing Authority (DHA)
- Financial Participants: HUD HOPE VI , Durham Housing Authority (DHA), North Carolina Housing Finance Agency (NCHFA), Mechanics & Farmers Bank, Wachovia Bank, RBC Centura Bank
- Total Development Cost: \$80 million



#### Cascade Village - Akron, OH



"Charter One recognizes the critical need for affordable housing in the state and we are pleased to celebrate the impact that nonprofit developers, such as The Community Builders, are making in the lives of Ohio residents."

Rocky Richardson, Vice President Charter One Bank

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# CASCADE VILLAGE

Akron's oldest public housing site has been transformed into Cascade Village, the city's newest residential community. Cascade Village features 242 mixed-income family rental units, infrastructure improvements, and comprehensive resident services. It has won several awards for its positive impact on the community and for its successful implementation of smart growth principals.





The Community Builders has been involved in Cascade Village since 2003, when the Akron Metropolitan Housing Authority (AMHA) sought an experienced HOPE VI partner to assist in securing revitalization funds for Elizabeth Park Homes, a 65 year-old barracks-style public housing site. AMHA had tried several times on its own to win HOPE VI funds for the tidy but obsolete development; it took two more attempts before the AMHA-TCB team was awarded a \$19.25 million HOPE VI grant in the FY 2003 funding cycle. TCB was designated as the developer, property manager, and community services provider in the HOPE VI application. Master planning services and community initiatives activities have been delivered under task order with AMHA since shortly after notice of the award.

Cascade Village replaces the obsolete Elizabeth Park Homes site with 242 newly constructed mixed-income rental units. The community features improved natural and recreational amenities and expanded economic diversity and opportunity for residents. Cascade Village also employs environmentally friendly features including Energy Star rated systems/appliances and low VOC materials, courtesy of an Enterprise Green Communities grant. It was constructed in three phases at a total development cost of \$35 million. Of the 242 new rental units, 106 are reserved as replacement housing for former Elizabeth Park Homes public housing residents. The balance of the units are offered at affordable and market-rate rents.

## Cascade Village at a Glance

- New construction of 242 mixed-income family rental units, infrastructure improvements, and comprehensive resident services.
- TCB Role: Master Planner, Owner, Developer, Community Support and Services Provider, Management Agent
- Sponsor: TCB and Akron Metropolitan Housing Authority (AMHA)
- Financial Participants: HUD HOPE VI, State HOME, City CDBG, Enterprise Green Communities grant, equity
- Total Development Cost: \$35 million
- Awards: 2009 Charter One Bank Housing Heroes Award,

2006 Smart Growth Education Foundation Best in Show Award, 2006 Community Impact Award from National Equity Fund, Inc. & LISC

#### Addendum No. 1 to RFQ 14-49SRA



# CITY OF SOMERVILLE, MASSACHUSETTS Department of Purchasing JOSEPH A. CURTATONE MAYOR

To: All Parties on Record with the City of Somerville as Holding RFQ 14-49SRA,

Request for Qualifications for Selection of a Master Developer Partner for

Certain Union Square Disposition Parcels

From: Angela M. Allen, Purchasing Director

Date: January 9, 2014

Re: Clarification and Briefing Session

Addendum No. 1 to RFQ 14-49SRA

Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

Name of Authorized Signatory
Title of Authorized Signatory

Clarification Regarding Unforeseen Personnel Changes on Development Teams

Responses to the Request for Qualifications (RFQ) will be judged in accordance with the language contained in the RFQ, specifically Section 9.11 Qualifications Proposal Content and including the qualifications and experience of those disciplines, companies and individuals identified as members of the master development team. Should the selected Master Developer later have to replace a member of the development team due to unforeseen circumstances, the expectation is that the new member of the Somerville Redevelopment Authority's development team would possess the same level of qualifications and experience as the development team

#### Addendum No. 1 to RFQ 14-49SRA

member included in the RFQ response. However, the Somerville Redevelopment Authority reserves the right to re-evaluate the response and award and make a new award, if appropriate.

#### Ouestion & Answer Briefing Session on Friday, January 17, 2014

As stated in the RFQ, there will be a briefing session held at Somerville City Hall, second floor, in the Aldermanic Chambers, 93 Highland Avenue Somerville MA 02143 on Friday, January 17, 2014 from 10:00 a.m. to 12:00 noon. All interested parties are invited to attend. Representative(s) from the Somerville Redevelopment Authority and City staff will be available to address any questions.

In the event of inclement weather, please check the website for any meeting cancellations or changes. All prospective proposers who have registered with Purchasing will be notified directly via e-mail if the meeting has to be postponed due to weather.

#### Addendum No. 2 to RFQ 14-49SRA



# CITY OF SOMERVILLE, MASSACHUSETTS Department of Purchasing JOSEPH A. CURTATONE MAYOR

To: All Parties on Record with the City of Somerville as Holding Request for Qualifications

(RFQ) 14-49SRA for Selection of a Master Developer Partner for Certain Union Square

Disposition Parcels

From: Angela M. Allen, Purchasing Director

Date: January 22, 2014

Re: Responses to Questions from Prospective Offerors, Sign-In Sheet from January 17<sup>th</sup>

**Briefing Session** 

#### Addendum No. 2 to RFQ 14-49SRA

Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

Name of Authorized Signatory
Title of Authorized Signatory

#### Update Regarding Submission Requirements:

The City of Somerville intends to post all responses to the Union Square RFQ on the City's web site. As per Section 9.10 of the RFQ, Distribution of Responses, the respondents are required to submit one original and ten copies to the City of Somerville's Purchasing Department. In addition, respondents will also be required to submit an electronic copy of their complete proposal on a CD/DVD.

#### Addendum No. 2 to RFO 14-49SRA

#### Questions from Prospective Respondents:

1. Does the city have a financing plan for the new library, public safety building, etc?

The Commonwealth has allocated \$18 million dollars in grant monies toward the construction of a new public library. The Union Square Revitalization Plan anticipates that these grant monies, along with the revenue stream from the structured parking and new private commercial space will be the initial basis of helping the finance development of the D1 block. Further, the City and the Master Development partner will work together to explore any and all financing mechanisms, public and private, to initiate and complete development of the D1 Block.

2. What are the City's expectations regarding parking. How many spaces per dwelling unit; how many spaces per 1,000 sf of commercial office? The D2 parking requirement on any conventional basis will result in a pretty big garage.

Parking requirements in the TOD and CCD zoning districts in Union Square are established in Section 9.17 of the Somerville Zoning Ordinance. Section 9 also identifies strategies for shared parking and/or reduction in parking for certain uses which would be allowed by special permit. The ordinance also allows parking for multiple sites within Union Square to be shared, thereby allowing a master developer to build a garage on a portion of one development site that can serve parking needs for other development sites. The City expects the development of the square to meet its own parking demand, without impacting residential on-street parking in abutting neighborhoods. If a development team can establish that the overall parking requirements under zoning are significantly greater than the quantity of parking that is actually needed to build and operate the complete development, the development team and the city will need to work with the community to adjust these zoning requirements accordingly.

3. What the status of site control for D2 and other blocks?

The SRA has completed the site assembly process for the D2 Block. Presently, the City has made a request in its FY14 Capital Improvement Plan for funding to provide for the acquisition of the privately held properties within the D1 Block. When complete and when combined with the publicly owned properties, the D1 Block site assembly will be finalized. In addition, former owners of properties within the D2 block are expected to be relocated by the Spring of 2014.

4. Is the City actively pursuing site acquisitions on ALL blocks?

No, it is anticipated that aside from the City's site assembly on the D1 and D2 blocks, the Master Developer will be responsible for site acquisition for the other five blocks. In the event of an impasse, the SRA may decide to utilize its ability, but only as a last resort and with the financial backing of the Master Developer Partner.

#### Addendum No. 2 to RFQ 14-49SRA

5. What is the timing expectation of the selected developer to move forward on subsequent blocks after D2?

The RFQ is written with the expectation that the Master Developer partner will proceed with all dispatch as site assembly and market conditions dictate. As an example, certain actions by the public sector must be completed before development and construction can proceed on the D1 and D2 blocks. For the other five blocks, however, the SRA would encourage development to proceed at the earliest possible moment.

6. Is there the flexibility to redesign the MBTA stop to fit within the D2 building?

One of the motivating factors to proceed with the Master Developer approach was the need to coordinate design and operational matters with the MBTA on Block D-2. Section 1.3 of the RFQ refers to the future development of the D-2 Block by stating, "A series of structures or a single structure articulated as though it were a series of structures, is anticipated for the North Prospect Block" [D2].

7. How are business owners with existing businesses on targeted parcels responding to the City's plans to redevelop their sites?

Each situation is unique. Every property owner or existing business with a disposition block that is relocated as a result of this initiative will be entitled to technical assistance and financial support. The City has said publicly and on numerous occasions that there are existing businesses within Union Square that we absolutely want to see be a part of the new Union Square. Some of these existing businesses contribute to the unique sense of place in Union Square and we very much want to retain and enhance that sense of place.

8. Has the City entered into discussions with the US Government on the disposition of an active Post Office on Washington St.? If so or not, how are things progressing?

In July, 2013, the Union Square Post Office received designation as a Local Historic District. USPS has been actively marketing the Union Square property for some time. Based upon information gathered from private sources, an agreement has been reached to sell the property and the transaction is expected to occur in the near future.

9. Is there a projected traffic count for the drop off at the Union Sq. Green Line Extension?

At the time of design the drop off is only for the MBTA's "the Ride" program and was estimated at no more than 6 drop offs per hour. It should be noted that the drop off is intended for "the Ride" and must provide a clear line of site from the drop off point to an entrance to the station.

#### Addendum No. 2 to RFQ 14-49SRA

10. Is there a projected number of trips via Green Line extension?

If the question is asking for the total number of projected "transit trips" – that is 45,000 a day. If the question is just for Union Square, more information is available here: http://greenlineextension.eot.state.ma.us/

11. Section 9.11(f)(12) says list any actions taken by any regulatory agency or litigation involving the entity or its agents or employees with respect to any past development projects. Will you clarify the nature of the action taken? Do you mean negative actions taken by a regulatory agency or are you looking for any action taken, which would include any zoning approvals, MEPA approvals, etc. that we obtained throughout our 20 plus years in business?

Respondents should disclose any negative litigation or other regulatory actions. However, respondents may also wish to highlight any litigation or regulatory actions that are relevant or illustrative of successful strategies undertaken in similar developments.

RFQ 14-49SRA Union Square Master Developer Clty of Somerville, Friday, January 17, 2014 - 10:00 a.m.

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RFQ 14-49SRA Union Square Master Developer City of Somerville, Friday, January 17, 2014 \* 10:00 a.m.

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#### Addendum No. 3 to RFQ 14-49SRA



# CITY OF SOMERVILLE, MASSACHUSETTS Department of Purchasing JOSEPH A. CURTATONE MAYOR

To: All Parties on Record with the City of Somerville as Holding Request for Qualifications

(RFQ) 14-49SRA for Selection of a Master Developer Partner for Certain Union Square

**Disposition Parcels** 

From: Angela M. Allen, Purchasing Director

Date: January 28, 2014

Re: Responses to Additional Questions from Prospective Offerors

Addendum No. 3 to RFQ 14-49SRA

Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

Name of Authorized Signatory Title of Authorized Signatory

www.ci.somerville.ma.us

#### Addendum No. 3 to RFQ 14-49SRA

#### Questions from Prospective Respondents:

1. Will you provide us with the Fair Housing Compliance & Non-Discrimination Statement/Plan 2 that is required with our RFQ response?

The question refers to Section 9.11 QUALIFICATIONS PROPOSAL CONTENT, Section f.13, wherein the required information to be contained in a response to the RFQ includes "A Fair Housing compliance & non-discrimination statement/plan." That which is required in the RFQ response is an affirmative statement or policy that the lead developer or the relevant member of a development team complies with all applicable laws, ordinances and regulations pertaining to non-discriminatory leasing and sales efforts. As an example, many developers are able to signify their compliance with all non-discriminatory statutes and regulations by displaying the Equal Housing Opportunity logo on correspondence and applications.

2. Since the Boynton Yards area is that portion of the Union Square Revitalization Plan south of the RR, and Disposition Block D-3 is within the Boynton Yards area, does that mean that the Master Developer will control all development within Boynton Yards or just the D-3 Disposition Area?

The areas that have been identified as acquisition and development blocks within the Union Square Revitalization Plan and the Union Square RFQ are the only blocks now under consideration. The Master Developer will not control all development within Boynton Yards but what we have stated repeatedly is that in the future as the City considers a revitalization plan specifically for Boynton Yards, it would make sense to do so in conjunction with the Union Square Master Developer Partner.

3. Will Somerville exercise eminent Domain to expedite development within these Disposition Blocks?

Again, as stated repeatedly in the RFQ, the Somerville Redevelopment Authority will only exercise its powers under MGL 121B as a matter of last resort. Section 1.10 outlines this expected process in great detail.

#### 10.4 APPENDIX 4

#### NOTICE TO BIDDERS

Bidders shall conduct the work so as not to impede, hinder or interfere with the operations of the MBTA or the progress or completion of construction work being performed by the MBTA in the Union Square area, including, but not limited to, the work being performed on the Green Line Extension Project ("GLX Project"). Bidders shall cooperate with the MBTA and all contractors, subcontractors, utilities, and consultants performing work associated with GLX Project ("GLX Project Participants"), and grant access to the MBTA and GLX Project Participants to the development properties as necessary to perform their work for the GLX Project. Bidders shall coordinate their work with the MBTA and GLX Project Participants and shall participate with the MBTA and the GLX Project Participants in reviewing their construction schedules when directed to do so. Bidders shall afford the MBTA and GLX Project Participants reasonable opportunity for introduction and storage of their materials and equipment within and adjacent to the development properties as needed to construct the GLX Project.

Bidders will be required to certify as part of their bids that they are able to furnish labor that can work in harmony with all other elements of labor employed or to be employed on the work, by executing a certification in the following form:

M.G.L. Chapter 30, Section 395- Certification of Work in Harmony and OSHA Training

By signing this and submitting this bid or proposal, the prospective participant is providing the signed certification set out below.

The undersigned certifies, under penalties of perjury, as required by M.G.L. Chapter 30, Section 395:

That the contractor is able to furnish labor that can work in harmony with all other elements of labor employed or to be employed in the work; (2) that all employees to be employed at the worksite will have successfully completed a course in construction safety and health approved by the United States Occupational Safety and Health Administration that is at least 10 hours in duration at the time the employee begins work and who shall furnish documentation of successful completion of said course with the first certified payroll report for each employee; and (3) that all employees to be employed in the work subject to this bid have successfully completed a course in construction safety and health approved by the United States Occupational Safety and Health Administration that is at least 10 hours in duration.

Bidders shall submit documentation of successful completion of said course with the first certified payroll report for each employee. Please note that this certification must be passed on to any and all lower tier contracts and subcontracts between the Bidders and other parties.

Authorized Bidder Signature

Director of Development

Date

Title of Signee

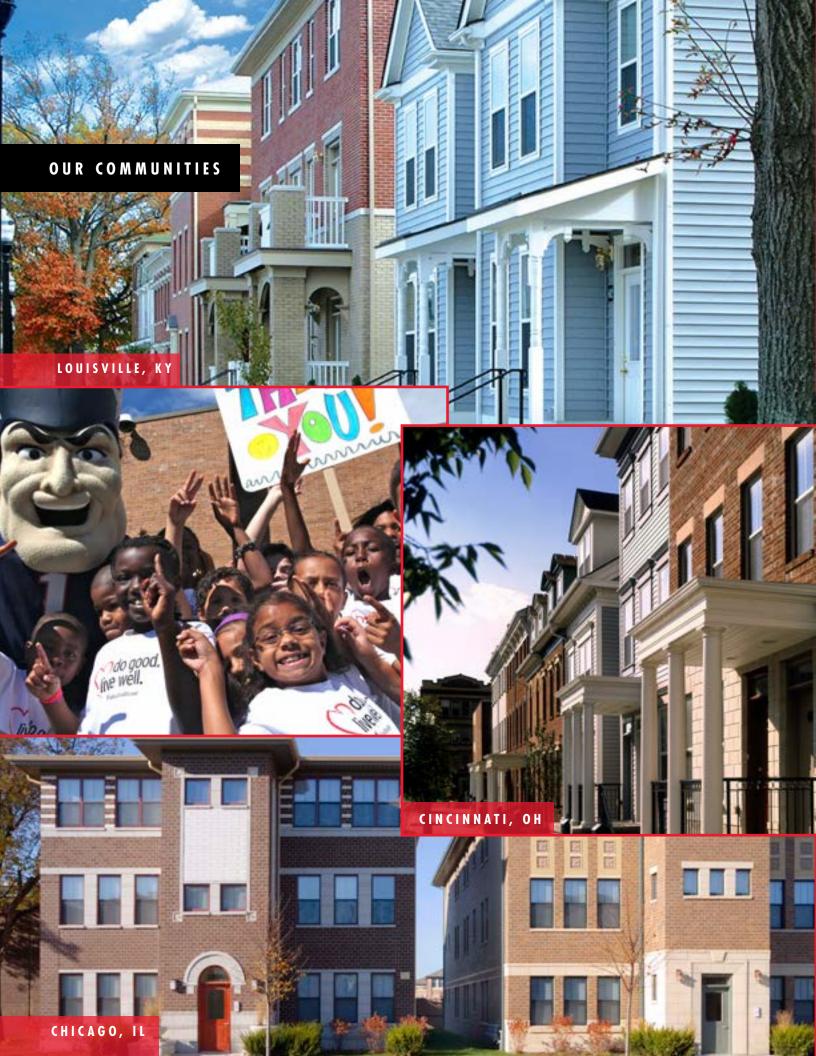
95 Berkeley St, Boston, MA OZIILA

Name and Address of Bidder

# BUILDING FAMILY SUCCESS THROUGH HOUSING COMMUNITIES



The Community Builders, Inc.





At The Community Builders, we know that "home" is greater than the space between four walls. As an innovator in affordable and mixed-income housing development for more than 45 years, we've created beautiful, high-quality homes that have an impact that extends into the neighborhood and into the lives of each of our residents.

Our work is realized by some of the most talented professionals in the industry – strengthened by ongoing professional development and training. From distinguished thought leaders on our board of directors, to experienced innovators on our leadership team to skilled practitioners in our development, property management, legal, finance, community life and corporate functions, the people at TCB work together to build family success through housing communities every day.



# 1964

SOUTH END COMMUNITY DEVELOPMENT (SECD) ESTABLISHED. RENOVATES 50 ABANDONED APARTMENTS IN BOSTON'S SOUTH END AS PART OF A H.U.D.-FUNDED DEMONSTRATION PROJECT. SECD IS RENAMED GREATER BOSTON COMMUNITY DEVELOPMENT (GBCD) IN 1972 AND REORGANIZED AS THE COMMUNITY BUILDERS (TCB) IN 1988.

#### 1996

TCB adopts a strategic plan focusing on direct development activity, especially as part of comprehensive neighborhood revitalization, including HOPE VI. Over the next 18 years, the organization expands its development work to 14 states and Washington, D.C.

#### 2000

The American Institute of Architects (AIA) awards its Urban Design Honor Award to Park DuValle in Louisville, KY our first of 15 HOPE VI projects.

#### 1977

Pioneered use of tax-benefit syndication to finance affordable housing controlled by non-profits and assists local CDC with development of the 680-unit, \$28 million Villa Victoria community in Boston's South End.

# 1988

TCB BUYS PLUMLEY VILLAGE, A 433-UNIT FAMILY COMPLEX IN WORCESTER, MA, AND INSTITUTES A BROAD RANGE OF HUMAN SERVICES. TENT CITY CORPORATION PARTNERS WITH TCB TO COMPLETE TENT CITY, A LANDMARK 269-UNIT MIXED-INCOME APARTMENT COMPLEX IN BOSTON.

# 2006

THE FIRST PHASE OF OAKWOOD SHORES DEVELOPMENT IN CHICAGO'S NEAR SOUTH SIDE IS COMPLETED, BRINGING MIXED-INCOME RENTAL UNITS TO A NEIGHBORHOOD THAT HISTORICALLY HAS HAD SIGNIFICANT AMOUNTS OF PUBLIC HOUSING. OVER THE SUBSEQUENT SIX YEARS, 800 HOMES WERE DEVELOPED - ONE-THIRD MARKET-RATE, ONE-THIRD AFFORDABLE AND ONE-THIRD PUBLIC HOUSING.

#### 2009

Morgan Woods, an affordable family rental community on the island of Martha's Vineyard, is awarded the Urban Land Institute (ULI). Ronald Terwilliger Workforce Housing Models of Excellence Award.

# 2010

TCB BEGINS INVESTMENT OF \$78 MILLION NEIGHBORHOOD STABILIZATION GRANT TO CREATE AND REHABILITATE HOUSING IN SIX STATES.

# 2012

TCB PORTFOLIO OF OWNED, OPERATED AND MANAGED HOUSING REACHES 10,000 APARTMENTS. TEN TCB MANAGED COMMUNITIES WIN NATIONAL COMMUNITY OF QUALITY® AWARDS. TCB AWARDED \$29.5 MILLION H.U.D CHOICE NEIGHBORHOODS GRANT TO REVITALIZE CINCINNATI'S AVONDALE NEIGHBORHOOD.

# Build

TCB is a neighborhood revitalization catalyst. We plan, design and build housing for residents of all incomes, including families, seniors and special needs populations. With over 10,000 apartments owned, managed or under development in 14 states and Washington, D.C., we bring diverse experience and comprehensive expertise to every property we create or rehabilitate.

# Transform + Sustain

TCB is deeply invested in each development we build and in the lives of our residents. We work in tandem with our residents, local businesses and neighborhood organizations to create thriving, supportive networks. We find investors from a variety of public and private sources and design modern, efficient housing complexes that meet the needs of our residents and engage with the surrounding neighborhood.

Our property and asset management team oversees the financial and physical health of the buildings for the long term, while our community life team ensures that our residents are civically engaged and empowered to succeed in the workplace and the community.



BEFORE AFTER

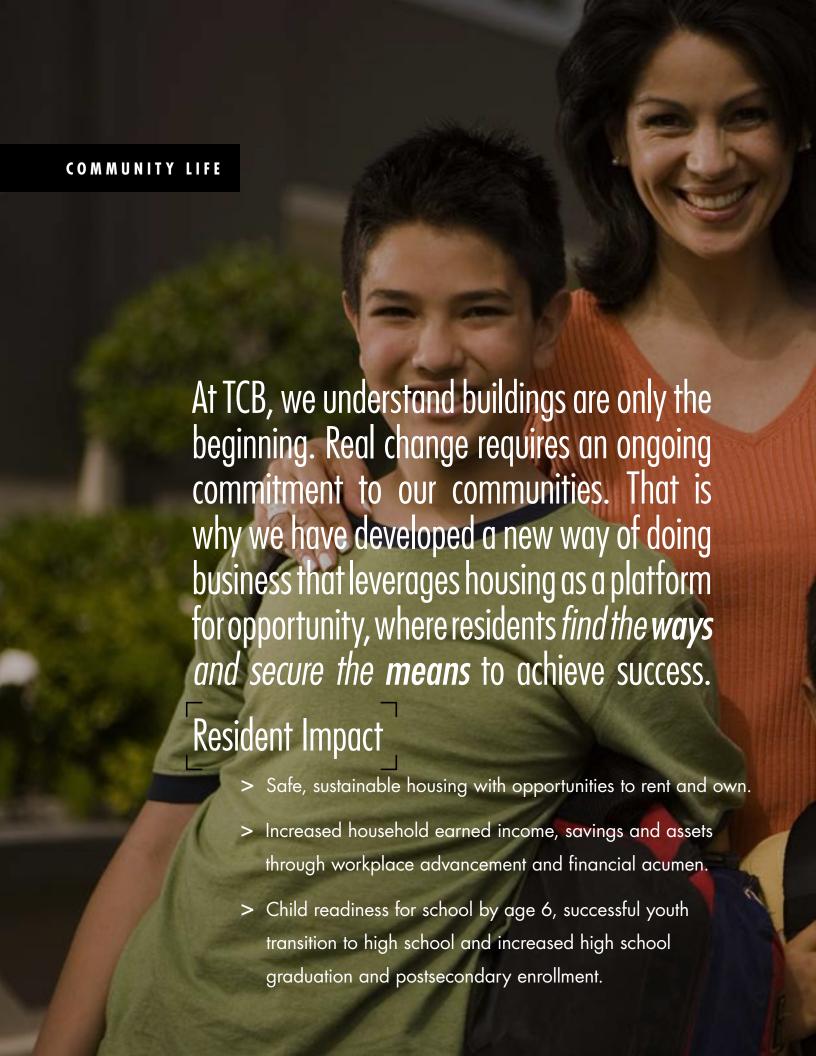
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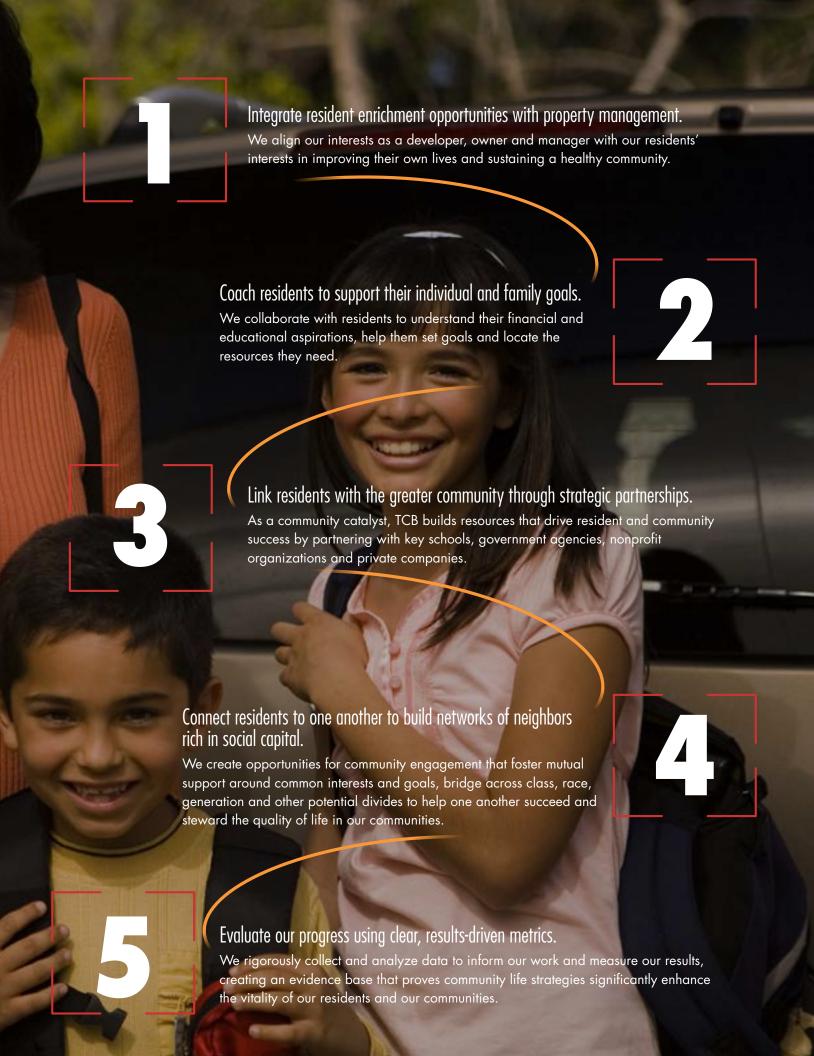
# LONG-TERM COMMITMENT

NEIGHBOR FRIENDLY

SUSTAINABLE DESIGN

SUSTAIN





## PILOT SITES

We practice our community life model at six pilot communities that are home to 4,933 people — 50% of whom are children.

PLUMLEY VILLAGE:
WORCESTER, MA

CASCADE VILLAGE:
AKRON, OH

BROADCREEK RENAISSANCE:
NORFOLK, VA

OAKWOOD SHORES: CHICAGO, IL

ST. STEPHEN'S APARTMENTS:
CHICAGO, IL
261 APARTMENTS

AVONDALE:
CINCINNATI, OH
178 APARTMENTS

### CORE PRACTICES



#### Youth Development & Education

Out-of-school Time Academic & Social Enrichment
Leadership Development & Service Learning Opportunities
Youth Employment
Postsecondary Education Planning & Preparation
Parental Involvement & Advocacy



#### Financial Education & Asset Building

Tax Preparation & Filing Support
Asset Building Programs & Products
Individual & Family Coaching for Budgeting & Benefit Access



## Workforce Development

Job Readiness & Job Search Support
Sector-Based Skill Development
Career Advancement Coaching
Postsecondary Education Planning & Preparation
Networking Events & Opportunities



#### Community Engagement

Peer Network Building
Leadership Development Opportunities
Social and Recreational Events
Voter Registration
Community Advocacy

#### SUCCESS STORIES



### Sergine Augustin, BROADCREEK RENAISSANCE RESIDENT, NORFOLK, VA

Wilimina Augustin brought her two children to Broadcreek Renaissance from a battered women's shelter in 2008. She worked closely with community life staff to quickly find work as a pharmacy technician and to attend college at night. Inheriting her mother's strength and intelligence, Wilimina's 11-year-old daughter Sergine was chosen this summer from among more than 2,000 honor students to attend the University of Virginia's School of Engineering and Applied Sciences as a Bernard Harris scholar. After completing this rigorous program, Sergine has now been awarded a place in the pre-med program at Blair Middle School, within Norfolk Public Schools, to pursue her dream to become a pediatrician. In just six years, Sergine will enter college as a sophomore.



#### Gheisha Daiz, PLUMLEY VILLAGE RESIDENT, WORCESTER, MA

Gheisha Daiz and her daughters lived in Plumley Village for nine years. During that time, she enrolled in the on-site GED program that Plumley Village offers taking classes during the day. After she passed her GED exam, she went on to get a bachelor's degree in human services from Springfield College. During her last year in school, Gheisha served as an intern in the Plumley Village Community Life office, where she helped develop and implement a community-wide survey to bring programs and resources to Plumley Village. From the community survey, residents identified the desire for an on-site playground for a safe and fun place for children. Gheisha then volunteered on a team of residents and staff to solicit a new playground from the nonprofit organization KaBOOM!® that was built in 2012. She currently is working full time and has moved from Plumley Village but still lives in Worcester. She is very happy and thankful to Plumley Village for the opportunity and support.

"I am interested in the well being of my community on a level that I have never been. I am interested to know how other people here think and feel ... as well as to brainstorm [together] ideas on how to keep this community a cut above the rest."

CASCADE VILLAGE RESIDENT, AKRON, OH

#### Marilyn Nichols, OAKWOOD SHORES RESIDENT, CHICAGO, IL

Marilyn Nichols reached out to Community Life for job opportunities after moving into Oakwood Shores. She was a part-time bank teller while taking classes for her B.A. in Accounting and needed a job that allowed her flexibility for quality time with her two children. Beginning coaching sessions with Marilyn focused on the essentials of updating her resume and combing through job openings. Through these meetings, Marilyn refocused on the many positive attributes at her current employer: she's well liked by her team and supervisors, she likes the job, and the bank offers opportunities for advancement. Marilyn switched her coaching focus from finding a new job to building her career at the bank, where she has negotiated hours more conducive to her family and classes.







# Mission-Driven

Many cities and towns across the country struggle with access to quality affordable housing — leaving residents with limited opportunities for a better future. That's where The Community Builders comes in: we have the talent, wherewithal and long-term commitment to help. We understand that every neighborhood is unique, so we delve into the communities we serve to understand each property's particular needs and challenges. As a comprehensive neighborhood developer, our expertise lies in the depth of our resources, the scope of our projects and our innovative, multifaceted approach to financing, building, revitalizing and sustaining thriving communities.

# Scale + Solutions

TCB specializes in large-scale and long-term change. We work with distinguished urban architects, contractors and engineers to develop affordable and mixed-income housing for sale and rent, senior and special needs housing, commercial and community spaces and education and health centers. Our housing developments vary in size and complexity, from historic rehabilitation projects to newly-planned communities. Long after construction completion, TCB remains an integral part of their management and long-term wellbeing.

# **Diverse Partners**

TCB can get complicated jobs done. Our innovative approach to housing development combines diverse financing from public and private sources, stellar design planning and construction techniques, and an enduring commitment to our properties. This is thanks in large part to our indispensable partnerships with community development corporations, public housing authorities, for-profit partners, resident groups, local universities, faith-based organizations and social service providers.

# BY THE NUMBERS

Over 23,300 apartments developed

Over 164,800 residents since 1964

Development pipeline of 35 projects

Over \$2.5 billion of financing assembled

# MIXED INCOME

TRANSFORMATIVE DEVELOPMENT

# ACQUISITIONS + PRESERVATION

# Rescue & Revitalize

# BY THE NUMBERS

22 preservations in the past five years

Over 1,700 apartments in our acquisition pipeline

\$338 million in preservation transactions in the past five years

In states across the country, some existing affordable housing properties are at risk of loss. In strong markets, affordable apartments are in danger of conversion to market-rate units when existing rent and income restrictions expire. TCB intervenes by acquiring and upgrading the buildings, and restructuring the financial resources to preserve the site as affordable and/or workforce housing.

TCB uses a variety of approaches depending on the needs of the properties. From distressed buildings in need of stabilization, high-quality property management and new resources, to workforce housing that needs recapitalization and repositioning, TCB works to ensure long-term affordability and neighborhood viability. We are experts in innovative financing strategies, well-versed with federal and state regulations and are connected to a strong network of lenders and long-term investment partners.



"We rehabbed Merrill Court 22 years ago, and we've nurtured it ever since – almost like a child. We wanted to be sure that we were putting it in good hands. We were confident when we transferred it to TCB that the property would be recapitalized and operated for the benefit of its residents and the community for years to come."

– Ralph Brown, Chicago affordable housing developer

# Sustain Community

When TCB purchases affordable housing properties, we prevent resident displacement and offer stability and strength to the surrounding communities. In the last five years, we have completed 22 preservation transactions totaling nearly 2,800 apartments, and our current acquisition pipeline includes more than 10 projects with 1,700 apartments that span the Northeast, Mid-Atlantic, and Midwest regions of the United States.



"I acquired St. Stephen's Terrace when it was distressed and heavily fire damaged. After successfully stabilizing the property, I transferred it to TCB, which assembled the extensive financing to complete its redevelopment. It was an effective collaboration on all sides."

- Barry Chernawsky, Baric Properties

# ACQUIRE

**STABILIZE** 

# RECAPITALIZE

RENEW AFFORDABILITY

REHABILITATE

#### PROPERTY MANAGEMENT

# Measurable Excellence

# BY THE NUMBERS

10,000 apartments owned and operated

99% rent collection

97% occupancy

50 Community of Quality® designations

At TCB, we take effective operations seriously. Our properties outperform industry standards in key areas, such as resident occupancy, rent collection and bad debt. In fact, we maintain average occupancy rates of more than 97 percent and collect an average of 99 percent of rent charged each month. Our rigorous enforcement of tenant eligibility requirements ensures TCB properties are compliant with federal and state regulations and all of our residents feel at home within a mixed-income community.

We've adapted best practices from the retail and hospitality industry to achieve top-notch resident satisfaction. Routine resident surveys and a mystery shopper program keep our maintenance and leasing staff focused on customer satisfaction and property curb appeal.

Our commitment to quality management has garnered consistently high inspection and audit scores, along with industry recognition. More than 50 of our properties have received the National Affordable Housing Management Association Community of Quality® designation.

# Management Tools for Long-Lasting Success

Supported by an asset management team and a suite of proprietary information systems, we operate each property with an eye toward its lasting physical condition and long-term financial health. TCB has developed state-of-the-art property management information systems, such as the Quality Performance Information Dashboard (QPID), Month End Report (MER) and Standard Operating Procedures (SOP). These systems help us ensure rent is collected promptly, properties are well maintained and procedures are in compliance with all requirements. Our management tools for each site keep us ahead of the game and resolve potential problems before they start.



# The mission of

The Community Builders, Inc. is to build strong communities where people of all incomes can achieve their full potential.



The Community Builders, Inc.

#### **Northeast**

95 Berkeley Street Suite 500 Boston, MA 02116

Phone: 617-695-9595 Fax: 857-221-8618

#### **Midwest**

135 South LaSalle Street Suite 3350 Chicago, IL 60603

Phone: 312-577-5555 Fax: 312-263-0337

#### Mid-Atlantic

1602 L Street, NW Suite 401 Washington, DC 20036

Phone: 202-552-2500 Fax: 202-552-2525



www.tcbinc.org

facebook.com/communitybuilders